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THE RETAIL INTERSERVICE LOGISTIC
SUPPORT PROGRAM

by

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# THE RETAIL INTERSERVICE LOGISTIC SUPPORT PROGRAM

By

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## PREFACE

The Retail Interservice Logistic Support Program is a logistics management tool of the Department of Defense. It is designed to optimize the management of Department of Defense resources, whether they are in the form of men, money, or material. The program accomplishes this task by employment of a manual of procedures and forms for guidance, coordination of activities by a central source, use of communications channels through area groups and subgroups, and reliance on a reporting system to measure program achievements and provide for effective administration.

On the retail level, Interservice Logistic Support has undoubtedly been practiced since the early days of the republic. But only in the recent decade has such support been formalized and centralized, and high level force and direction applied to it in order to implement its use. In this short span of time, the program has been subject to various shifts in scope, objectives, and environment.

The purpose of the thesis is to explore the inception of the Interservice Logistic Support Program, trace its development to the present time, and project probable and possible courses of its life cycle. Research has been directed toward answering these questions concerning the Retail Interservice Logistic Support Program:

What is it?

What is its origin and history?

What is its current role?

What is its probable role?

Chapter I contains a series of definitions establishing the terminology used throughout the text, and also delineates the powers and duties of the participating agencies. A set of examples are given to depict the scope of Retail Interservice Logistic Support, and recent statistics are included to provide a basic concept of the program's size.

Chapter II describes the broad historical background of ideas, opinions and events influencing the early stages of the Retail Logistic Support Program. It also enumerates applicable organizational changes within the military establishment, and culminates with an account of the inauguration of a specific program for interservice support.

Chapter III illustrates the early struggles in the retail supply support sector and shows the impact of other programs upon it. The origin and evolution of the program's administration is given, and some of the problems encountered are enumerated.

Chapter IV consists of a description of the program under the Defense Supply Agency and its changing scope as it developed. After showing the obstacles that were surmounted, the chapter ends with an outline of the current structure and operation of the Retail Interservice Logistic Support Program.

Chapter V presents a summary and the program's minimum, maximum and probable roles in the future. Projection of its

probable role is based on apparent trends in the Defense Support establishment.

I wish to express my sincere appreciation to Lieutenant Colonel A. A. Du Laney, Jr., Chief and Mr. R. H. Beverly, Assistant Chief of the Retail Branch, Interservicing Division, Logistics Services Directorate of the Defense Supply Agency, who gave generously of their time, assistance, and wide personal knowledge of the research area.

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# CHAPTER I

## THE PROGRAM FRAMED

### The Program Defined

> The Retail Interservice Logistic Support Program is designed to promote interservice transfer of supplies and services between the retail activities of the Military Services, when such action will result in increased overall effectiveness and economy.

This statement, contained in the Foreword to the Defense Retail Interservice Logistic Support Manual,[1] is concise, but not sufficiently precise to establish a firm foundation for the subject. A series of accepted definitions of the terminology used must be developed for full exploration of the area. These terms and their definitions as presently utilized in the framework of Interservice Logistic Support are:

> 1. Interservice Support. Action by one Department of Defense activity or element to provide logistical/administrative support to another Department of Defense activity or element not of the same Military Service or Department of Defense agency, on either a recurring or non-recurring basis. Such support may be on either a reimbursable or non-reimbursable basis.
>
> 2. Logistic Services or Logistical Services. Activities of a logistical support nature, not necessarily involving supply of material.

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[1] U. S., Department of Defense, Defense Supply Agency, Defense Retail Interservice Logistic Support Manual, DSAM 4140.4, January, 1965.

a. The term includes services involving:

(1) Acquisition, storage, movement, distribution, maintenance, evacuation or disposition of material.

(2) Use, construction (other than Military Construction Program), maintenance, or operation of facilities, including utilities, custodial services, fire and police protection.

(3) Other logistical support similar or related to these, such as laundry, messing, and local bus and taxi service.

b. The term specifically excludes services involving:

(1) Administration, hospitalization, or medical treatment of personnel.

(2) Hospital or medical facilities.

(3) Research, development, test and evaluation of material.

3. Retail Level Interservicing. For purposes of this manual, this term is defined as interservice support between field activities (e.g. bases, posts, camps, stations, installations) of the Military Services or Department of Defense agencies. It excludes interservice supply support involving supply system stocks or other centrally controlled material.

4. Supply System Stocks. Stocks of material under control of a Continental United States Inventory Control Point held in storage points of Department of Defense supply distribution systems for issue to using organizations.

5. Inventory Control Point. An organizational unit within the supply system of a Military Service/Defense Supply Agency assigned the primary responsibility for the management of a group of items either within a particular Military Service or for Department of Defense as a whole.

6. Area Coordination Group. A group composed of representatives from major commands of the Military Services, within specified Continental United States geographic areas established to coordinate interservice logistic support at the installation or activity level.

7. Overseas Coordinating Group. Major commands, component commands and subordinate activities in overseas areas will have an option to take such action as is considered necessary to establish coordinating groups similar to the Area Coordinating Groups.[2]

## Responsible Agencies

The Retail Interservice Logistic Support Program has been subject to many changes over the past decade. The scope and objectives have been altered, and administering agencies formed, then dissolved. In its current state of development, the responsibilities, functions and authority are structured as follows:

### Responsibilities

1. Defense Supply Agency will develop and maintain a Retail Interservice Logistic Support Program with full cooperation and concurrence of the military services. . . .

2. The military services and Department of Defense Agencies will utilize retail interservice procedures whenever this means of logistic support will increase overall effectiveness and economy. It is recognized that the commander requiring support is in the best position to judge which of the alternative means of support is the most effective and economical in any particular situation and that the commander requested to provide support is best able to determine his ability to furnish the support requested. The decision to request or furnish Interservice Logistic Support will be left entirely to the Activity Commander, subject to such guidance as may be provided by the respective military service Headquarters.

### Functions

1. Defense Supply Agency will perform the following functions with full coordination and concurrence of the military services. . . .

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[2] Ibid., pp. 4-6.

a. Develop and maintain procedures which will facilitate optimum interservice logistic support at the retail level, including provision for systematic exchange of logistic management information necessary to accomplish this. Uniformity of procedures will be a goal when a benefit is gained thereby.

b. Publish Retail Interservice Logistic Support procedures in appropriate DSA publication. . . .

c. Serve as the focal point for Department of Defense emphasis on retail interservicing and take necessary coordinated action through the military service channels to assist in resolving, eliminating or reducing to a minimum such problems as may be encountered.

d. Recommend revisions of policy to Department of Defense for publication in appropriate Department of Defense issuances.

e. Periodically evaluate the program in order to facilitate the accomplishment of functions a through d.

f. Assist the military services in developing retail interservicing agreements only as specifically requested by the prospective parties to an agreement. Under no circumstances will Defense Supply Agency <u>direct</u> interservicing actions to be taken.

2. Each military service and Department of Defense Agency will perform the following functions:

a. Conduct retail interservicing operations so as to optimize retail interservice logistic support in accordance with published guidance.

b. Join with the Defense Supply Agency in a coordinated effort to achieve optimum retail interservice logistic support.

c. Insure that both command and working levels are fully aware of the potential benefits of retail interservicing and of the procedures by which these benefits may be achieved.

d. Recommend revisions of policy to Department of Defense for publication in appropriate Department of Defense issuances.

Authority

Defense Supply Agency is specifically authorized, in coordination with the military services, to:

a. Conduct studies or surveys to develop procedures to accomplish the objectives of the program.

b. Establish necessary coordinating groups composed of military service--Defense Supply Agency representatives, such as the present Area Coordination Groups, and maintain working liaison with these groups and the members thereof. These working contacts will be used for exchange of information, ideas, recommendations, etc., and will not circumvent channels established . . . for coordination of policy, procedural changes or other matters having an impact on military service operations.

c. Publish implementing regulations to carry out policy guidance established in Department of Defense issuances.

d. Establish necessary reporting requirements for effective program administration and reports required by higher authority. Such reporting requirements will be approved by the military services . . . , and will be kept to a minimum.[3]

## Some Specific Examples

Although definitions have been given and responsibilities regarding the area delineated, the program is still an abstraction and must be brought into focus. The following examples are intended to clarify the boundaries of the Retail Interservice Logistic Support Program. These examples will also illustrate certain exceptions to the broad definitions of the program.

A. An Army activity provides vehicles, and the maintenance thereof, to a nearby Air Force activity. This is

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[3]Thomas D. Morris, Assistant Secretary of Defense (Installations and Logistics), "Memorandum for the Assistant Secretaries of the Army (I & L), Navy (I & L), Air Force (Material); and the Director, Defense Supply Agency," U. S., Department of Defense, October 2, 1963.

Retail Interservice Logistic Support.

B. A Navy activity provides vehicles to a local Post Office for use during the peak Christmas workload period. This is not Retail Interservice Logistic Support. The Post Office Department is not an agency of the Department of Defense.

C. An Air Force activity provides office supplies and printing services to the local Marine Corps recruiting office. This is Retail Interservice Logistic Support.

D. A Navy activity provides aviation material to a Marine Corps activity. This is not Retail Interservice Logistic Support. The Navy has a long established responsibility to provide the Marine Corps with full aviation and other functional area support and this relationship is considered intra-service support.

E. The Army activity in an overseas area agrees to provide petroleum supplies to the local Navy and Air Force activities. Although this is Retail Interservice Logistic Support, it does not come within the parameters of this program. Wholesale transfers of petroleum supplies within the continental United States and all transfers overseas are handled by the Defense Fuel Supply Center under a different program.

F. A Navy activity provides electronic parts to a local Coast Guard station. This is Retail Interservice Logistic Support. Although the Coast Guard is an agency of the Treasury Department, for purposes of this program it is considered as another Department of Defense agency and an exception to the

general definition.

G. The local office of the Defense Communications Agency provides communications parts to an Air Force activity. This is Retail Interservice Logistic Support. The Defense Communications Agency is an activity of the Department of Defense.

H. An Army activity overseas provides office supplies to the local American Embassy. This is not Retail Interservice Logistic Support. Embassies are agencies of the Department of State.

I. A depot of the Defense Supply Agency provides bulk amounts of electronic parts to an Army activity. This is not Retail Interservice Logistic Support; it is Wholesale Interservice Logistic Support.

J. An Air Force activity has physical custody of electronic parts which are Supply System stocks. Issues are made to an Army activity. This is Wholesale, not Retail Interservice Logistic Support.

## A Discretionary Program

Utilization of the Retail Interservice Logistic Program as a logistics management tool is recommended and encouraged, but not directed by the chain of command. It is a matter of discretion and not of dogma. This is a basic tenet of the program:

> It is important to note and to keep in mind that the goal is to optimize rather than maximize retail interservice support. Retail interservicing is only one of several alternative means of support generally available to the

> military installation commander. The final choice of which means of support is most effective and economical in any particular situation can best be made by the commander on the scene, and accordingly, that decision should be left to his judgment. Thus we seek to utilize retail interservicing to the fullest extent possible subject to the condition that it be utilized only where it is the most effective and economical means of support available.[4]

## The Missing Yardstick

Since utilization of the Retail Interservice Logistic Support Program is discretionary, the total amount of retail interservicing achievable is impossible to ascertain. Since no criteria can be established, it is not feasible to compile statistics to find the gross or net effectiveness of the program. However, for the period from July 1 to September 30, 1965, the reported value of transfers under this program was $26,112,713 for agencies within the continental United States and $57,593,079 for agencies in overseas areas. The total for this three month period of $83,709,792, projected on a year's basis, would approximate $334,839,168 in retail interservice support transactions. Especially significant is the amount reported by the Commander-in-Chief Pacific Area Overseas Coordinating Group which includes the Southeast Asia sector. This organization reported transactions amounting to $34,265,707 or 41% of the overall total in this area. The overall dollar value was generated by an average of 826

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[4] U. S. Department of Defense, Defense Supply Agency, "Area Coordination Groups Briefing," October-November, 1963, p. 4.

activities participating in the program, with 2,763 specific retail interservice logistic support agreements in force.[5]

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[5]U. S., Department of Defense, Defense Logistics Services Center, Defense Retail Interservice Logistic Support Report, DD-DSA (AF&Q)150(5), September 30, 1965.

## CHAPTER II

## THE EMBRYO PERIOD

### Broader Aspects

A given enterprise is never devised or created in a vacuum. The Interservice Logistic Support Program has been subject to the many pressures, opinions and approaches of its environment. Its beginnings are found in the supply systems of the Military Services, for its inception and early endeavors were limited to boxes and bales of material alone. Only in recent years has the scope of the program been broadened to include services as well as supplies. During this same period, the supply sector was divided into wholesale and retail parts. The latter, combined with the services function, has become the Retail Interservice Logistic Support Program.

Ever since the inception of the program encompassing only the supply sector, the concern of the individuals and organizations affected has been centered on the form, content and control of such a program. The "goodness" or "badness" of Interservice Logistic Support was never in question, for transactions such as those made under this program had been occurring as a matter of common goals and common sense since the early days of the republic. There was general agreement that this means of mutual support should be encouraged and extended, but controversies raged over methods, procedures and

controls.

## Logistics Overview

For early history of the Retail Interservice Logistic Support Program a shift must be made to the broader topic of common supplies and services in the military establishment and the procurement, storage and distribution of huge amounts of material within this field:

> The question of how the Military Establishment should organize to achieve the most effective management of common supplies and services is not new. It was raised at least as early as World War I when it was suggested to Mr. Bernard Baruch, Chairman of the War Industries Board, that one agency purchase all military supplies. The idea was not adopted at that time on the ground that there were many overriding disadvantages in decentralization.[1]

The subject grew in interest as the nation passed through periods of war and peace. In this current interval where war is measured in thermometer terms of "hot" and "cold," increased concern could only be expected:

> The logistical problems of the military service affect the pocketbook of every tax-paying citizen.
>
> A good many of these citizens, who served in the Armed Forces during World War II and the Korean War (or in periods of lesser tension before and since), completed their periods of military duty with the distinct impression that the Services were wasteful of taxpayers' dollars.
>
> With the military Services receiving about half of the national tax dollar each year and with large numbers of taxpayers believing that major savings in military spending are possible, it has not been difficult to gain legislative and general public support for proposals

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[1] U. S. Department of Defense, Integrated Management of Common Supply Activities. Report of the Study Committee, July 11, 1961, p. 1-1.

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## Logistics Problems

The main mission of the Naval Transportation Service (NATS) remains a skill that is made in the greater body of common carriers and contribute to the military establishment and the government, giving the distribution of most amounts of material within this field.

> The creation of the NATS in 1949, transportation people undertake to achieve the most effective management of normal civilian and military to and fro. It was noted at least in theory on April 1, 1949 it was the Department of the Navy, General Counsel, Division of the Transportation Board, that all civilian, all military facilities. The idea was the adopting of that also to the Navy that there were many problems concerning in coordination.[1]

The analyst view is internal to the civilian related logistic problems of war and peace. In this instance (military) sense was it measured in intermediary times of "cost and time," transported quantity (cargo) only in terms.

> The logistical requirement of the military service affect the requirements of every Department in civil.
>
> A good deal of cargo is moved between in the Naval Tranpo. Service. Only it is not the moving the (or in navigation) of cargo (military) actual and planned, considered their relation of civilian cargo with the Department transportation that the military cargo instead of transport' domains.
>
> With the military services requiring about half of the national use (civil use, use with their cargo) of transport facilities, the civil service relation to military services are important. It is not easy difficult to make logistics for overall civil service for transport

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[1] U. S. Congress, 1st Session, Logistical Management of Common Use in Civil Agency, Report of the Study Committee, July 12, 1951, p. 1.

affecting the military Services, which seems to offer promise of dollar economy.[2]

In the interval between the two World Wars, Congress through its committees continued to question and delve into this subject. Many bills were introduced and debates held, but no actual legislation was enacted. Elements in Congress and the Military Services were successful in blocking all proposals on the basis that such actions were not in the best interests of the nation. The only tangible evidence of accomplishment in the field was the joint establishment by the Secretaries of War and Navy of the Army and Navy Munitions Board to coordinate the procurement and plans of the two services. The Munitions Board accomplished relatively little in its life span, and disappeared into the Office of the Secretary of Defense.[3]

In 1943, the Special Planning Division of the War Department went beyond the multitude of ideas and proposals suggested to that date. It recommended the creation of a Service of Supply.[4] While not accepted, the basic elements and ideas in the conception of a "fourth service" were to gain wide acceptance and powerful allies in later years. During the same year Senator Allan Kilgore of West Virginia introduced a bill echoing the suggestion of Mr. Bernard Baruch during

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[2]George C. Dyer, Naval Logistics (Annapolis, Maryland: United States Naval Institute, 1960), p. 190.

[3]Integrated Management of Common Supply Activities, pp. 1-1/1-2.

[4]Dyer, op. cit., p. 191.

World War I, placing the procurement of all war supplies under the Office of War Mobilization. "The bill was not passed but reverberations of the concept of a 'Ministry of Supply' continued."[5] The "Collins Plan" presented by the War Department in 1945 included a Director of Common Supply on the same level as the Chiefs of Staff of the individual services, but under the direction of the Chief of Staff of the Armed Forces.[6] The plan envisioned the overall unification of the Armed Forces and while it was not adopted, its basic tenets were enacted into law two years later.

## A Basic Step

The years of public discussion, legislative debate and executive concern bore fruit in 1947, with the passage of The National Security Act. This act established the office of Secretary of Defense, specified that he be a civilian, and that he would be "the principal assistant to the President in all matters relating to national security."[7] Thus for the first time, one man below the President was given control, authority and responsibility for all the military services. His duties were:

(1) to establish general policies and programs for the national military establishment;

(2) to exercise general direction, authority and

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[5] Integrated Management of Common Supply Activities, p. 1-1.

[6] John C. Ries, The Management of Defense (Baltimore, Maryland: The Johns Hopkins Press, 1964), pp. 10-11.

[7] U. S. Statutes at Large, LXI 253, sec. 202.

control over the establishment;

(3) to eliminate unnecessary duplication or overlap in procurement, supply, transportation, storage, health, and research;

(4) to supervise and coordinate budget matters of the component activities, including formulation of budget estimates for the establishment.[8]

The powers of the Secretary of Defense were further strengthened and clarified with the 1949 amendments to the National Security Act. This same year produced further legislative action in the area when:

> The recommendations of the First Hoover Commission resulted in the creation of the General Services Administration with broad authority to assume supply responsibilities for all federal agencies including the Military Services. However, the law also gave the Secretary of Defense authority to exempt the Military Establishment from such action by the GSA, unless the President should otherwise direct.[9]

Further evolutionary changes were made in the Defense Reorganization of 1953. The Second Hoover Commission Report of 1955 again recommended that Congress enact legislation establishing a "separate civilian-managed agency to administer common supply and service activities."[10]

This illustrates the background and environment of the program, and the scope may now be narrowed to the area of interservice supply support.

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[8] Pies, op. cit., p. 102.

[9] Integrated Management of Common Supply Activities, p. 1-2.

[10] Dyer, op. cit., p. 191.

## The First Move

The first official document applicable to all the Military Services in the area of retail interservice support was issued by the Secretary of Defense, Charles E. Wilson, on July 5, 1955. This directive had as its subject "Interservice Supply Support" and defined the term as:

> Action by one military service or agency to provide supplies and related services to another military service or agency. The general areas of all such interservice supply support are defined as follows:
>
> 1. That supply support which can be obtained from another agency acting as agent for the one supported, but with ownership of stock and control of levels of supply, issues, and requirements remaining with the supported agency.
>
> 2. That supply support which can be provided by another agency independent of any proprietary right of the supported agency but with a firm understanding regarding quality and responsibility for future availability.
>
> 3. That supply support which might be available from a number of sources but which because of convenience, timeliness, price or other considerations can best be obtained from another military agency, but not necessarily with a guarantee of availability by the supporting agency.[11]

The purpose of the directive was to establish policy and procedures within the Department of Defense which would optimize material use without regard to service barriers. The emphasis of the directive was material. Related services were considered limited to such items as packaging, crating, warehousing, and physical movement of the material. Thus, this milestone document was limited in its considerations to

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[11] U. S., Department of Defense, Interservice Supply Support, Directive Number 4140.6, July 5, 1955, pp. 1-2.

supplies. It contained no reference to the myriad of logistical services of a non-material nature that would be an outgrowth in later periods. No dilution or shift in support responsibility was intended or made. The policy in the directive stated that "each military service is responsible for providing or arranging for the support of its forces with supplies and related services."[12] While one military service or agency might obtain supplies from another, the responsibility for support was in no way passed to the supplier. Interservice supply support was to be requested from another military service when required, operationally acceptable, and advantageous to the Department of Defense as a whole. Such support would be provided to the extent of the suppliers' capabilities, unless valid reason existed for denial. The extent of this interservice supply support was then on a permissive basis to the extent that no military service was required to request or supply specific types or quantities of material from another. However, in implementing this idea, each military department was to accomplish the following:

1. Working arrangements will be established and maintained between central supply and inventory control points managing the same items or classes of items so that each can make optimum use of the others' available material assets.

2. In the establishment of new central supply and inventory control points, in making significant changes in categories of material control, or in shifts of physical location of these control points, full consideration shall be given to the marked benefits which will result from close proximity to the central supply and inventory control points of the other military services which control similar material.

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[12] Ibid., p. 2.

3. Within any suitable geographic area, working arrangements will be established and maintained between responsible stocking points of the military services handling the same items or classes of items, so that each can make the optimum use of the others' available material assets.[13]

The first step was taken; cross support between military services for items of supply now had the full sanction of the Secretary of Defense.

Reimbursement by one agency for support received from another agency was a matter of routine and already covered by formal directives, and no change was made for this program. Reimbursement would be made by the receiver to the supplier for those supplies and related services received, with the exception of administrative and overhead costs. Exception was made where budgetary responsibility was assigned or accepted by the supplier. One directive in this area, however, became a matter of acute concern to many activities as interservice supply support gained acceptance and utilization. A directive had been issued two years previously providing for waiver of reimbursement for inter-agency transfers of less than $100 in value.[14] The purpose was logical and intended as an economy measure. The processing of transactions for reimbursement took time, people and resources. If the cost of such processing was a significant amount compared to the value of material involved, the question now asked was, why not eliminate such

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[13] Ibid., pp. 3-4.

[14] U. S., Department of Defense, Waiver of Reimbursement for Inter-Agency Transactions of Less Than $100 Value, Directive Number 7230.1, May 19, 1953.

administrative costs?

In December of 1955, Interservice Supply Support moved ahead with the publication of a joint agreement signed by the Chiefs of Staff of the Army and Air Force, the Chief of Naval Operations, and the Commandant of the Marine Corps.[15] This agreement essentially restated the provisions of the directive issued by the Secretary of Defense, and directed the Supply Managers of the four military services to act jointly to establish an Interservice Supply Support Committee and Commodity Coordination Groups, and to provide guidance and recommendations to lower echelons. The responsibilities given the Interservice Supply Support Committee were:

1. Recommend policies and procedures for implementation by each military service.

2. Review and evaluate implementing directives and supplementary agreements regarding policies.

3. Exercise continuing surveillance over interservice supply support operations through field visits, meetings, and by securing the orderly submission of reports through Commodity Coordination Groups and Major Commands.

4. Assist implementing activities in the resolution of interservice supply support problems.

5. Initiate corrective action through the military headquarters as necessary to remedy differences.

6. Provide guidance to the Commodity Coordination Groups and Major Commands.

7. Maintain current files of all interservice supply support agreements.

8. Prepare reports as required by the military services or the Office of the Secretary of Defense.

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[15] U. S. Department of Defense, Joint Army-Navy-Marine Corps-Air Force Agreement on Interservice Supply Support, December 30, 1955.

Responsibilities of the Commodity Coordination Groups were:

1. Maintain constant liaison between members.

2. Develop procedures, suited to the property classes involved, which will create among the military services a continuing interservice comparison of assets and requirements.

3. Determine and identify interserviceable items and arrange for the systematic exchange of related supply management information.

4. Assure that the respective services utilize available stocks of interserviceable items to the fullest extent practicable to meet requirements.

5. Furnish data, reports and recommendations to the Interservice Supply Support Committee.[16]

In addition, the headquarters staff of each military service and Major Commands was tasked with the mission of reviewing and revising existing policies and procedures to insure their compatibility with the new program. The bare skeleton of broad policy, purpose and scope provided by the Secretary of Defense had some flesh added by the service Chiefs of Staff, and was now passed to the supply managers of the Military Services. They were to provide the specific objectives, methods and actions through the medium of the Interservice Supply Support Committee.

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[16] Ibid., pp. 4-5.

## CHAPTER III

## THE INTERIM ERA

### Work Commences

The mere establishment of a committee has never solved any problem or achieved any objective. A great deal of work lay ahead before a viable Interservice Supply Support Program was put into operation:

> The Interservice Supply Support Committee held its first meeting in January 1956. The job ahead was a tremendous one. In a few short months, methods had to be devised which would permit several different and divergent military supply systems to communicate compatibly with each other. The prejudices and ideas about the so-called evils of interservice supply support had to be overcome. Moreover, any system devised by the committee had to be enforced and had to have a certain amount of direction.
>
> Interservice supply could not be localized. It could not be approached solely on the wholesale level, or restricted entirely to retail customers. If interservice supply was to be successful, it must reach all levels of supply, everywhere. To do this, three major breakdowns were made:
>
> > The "wholesale" level of supply. This is the inventory manager level.
> >
> > The "retail" level of supply in the United States. This applies to continental United States bases and stations.
> >
> > The "retail" level of supply overseas. This applies to bases and stations overseas.[1]

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[1] H. N. Tongren, "Interservice Supply Support Committee," U. S. Navy Bureau of Supplies and Accounts, Newsletter, XX, No. 6 (June 1957), pp. 24-27.

## The Wholesale Level

Much of the committee's efforts and activities were directed toward the wholesale level, and the Commodity Coordination Groups were exclusively confined to this level. It was ascertained that the wholesale level contained the "cream off the top," and great strides could be made in relation to the work required. Compared to the resources poured into the wholesale program, the retail program would remain the "poor cousin," although it would reap the benefits of lessons learned from the wholesale sector.

The interface of two other systems had a significant impact on the Interservice Supply Support Program. The Single Manager System primarily affected the wholesale level. The Federal Catalog System was of vital importance to both levels.

## The Single Manager

Each military service had responsibility for the procurement, storage and distribution of materials required for completion of the tasks assigned to it. To perform such functions, each arm of the services built a large procurement and distribution system, responsive to its own peculiar needs. While the Army had no need for anchors and the Navy showed little usage of tents, it was undeniable that both used food and a multitude of other common items down to the lowly lead pencil.

In procuring necessary supplies, the military

procurement specialists were no more clairvoyant than their compatriots in the private sector of the economy. There were times when a military service was burdened with an oversupply of an item while a sister service was experiencing a shortage of the same item. Many individuals had made private and public outcries against this type of situation since the turn of the century. The rocky road of proposals and counter-proposals produced results when on November 4, 1955 the Military Subsistence Supply Agency was formed. This agency was to act as the "czar" over the food supply systems of the military forces.[2]

This one commodity-one agency idea grew and was extended by the Defense Secretary as indicated in this memorandum:

> I have decided that the time has come when we should extend the Single Manager Plan to cover additional common use items and common service activities within the Department of Defense.
>
> It is my intention to have a basic organization pattern that can be extended as rapidly as possible in the supply field to petroleum, medical-dental, clothing textiles, photographic equipment, and in the service field to traffic management.[3]

The Single Manager Plan was to have one military service assigned the role and responsibility for supporting all services for a particular commodity group. The Army was given the task for Subsistence, the first assignment in the supply

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[2]George C. Dyer, Naval Logistics (Annapolis, Maryland: United States Naval Institute, 1960), p. 199.

[3]Charles E. Wilson, Secretary of Defense, "Memorandum for the Secretaries of Army, Navy and Air Force." Subject: Single Manager Assignments, U. S. Department of Defense, January 31, 1956.

area. Examples of later assignments were Industrial Supplies, Medical-Dental and Petroleum to the Navy, and Clothing and Textiles, General Supplies, in addition to Subsistence, to the Army.

This Single Manager concept was to have a marked effect on the wholesale sector of the Interservice Supply Support Committee's program. It would eventually swallow it completely, except in the area of non-common use items. Although this concept necessitated changes in forms and procedures, the retail sector continued within its own area of concentration and control, relatively unaffected by this program.

## Federal Catalog System

Communication, coordination, and cooperation among all echelons of the federal government has long suffered from an acute case of semantics. Each department, division, and every small cadre has devised over the course of time its own trick phrases, denotations and connotations of common English, and a literal "alphabet soup" of shortened terminology.

The military services and their supply functions were no less immune from the veritable "tower of Babel" in the area of communications. Each service had created and cemented together a cataloging system, replete with stock descriptions and numbers. The cataloging systems of no two services were alike, and the frustrations encountered in this situation were acute. An Army agency desiring support from the Navy found itself giving a name and description of an item that could be

matched with a Navy item only by accident, even though identical. Thus, these individual systems were rendered useless for interservice support.

It was in 1947, under the aegis of the old Munitions Board, that the first step was taken to alleviate such a situation. Under the name of the "Army and Navy Standard Stock Catalog," an operation was started to merge every item in these two systems into a common catalog, with uniform terminology and identification. Congress entered the picture in 1949, enacting legislation assigning the newly-created General Services Administration the task of establishing a Federal Stock Catalog. This was to be applicable to all departments and agencies of the federal government. This agency in turn delegated its authority to the Department of Defense, which plunged into the task of building the Federal Catalog System called "by far the largest cataloging operation ever undertaken in the history of mankind."[4]

This catalog system now covers in excess of 4,000,000 items. It grows daily, as the complexities of our federal government and military hardware continue their steady growth. The first phase alone--identification--required the expenditure of $150,000,000 to complete. But the universal language established by the Federal Catalog System was a vital factor in facilitating interservice support. The system has even been extended to bridge the language barriers in the North Atlantic

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[4]"Catalog or Chaos," Editor, Quartermaster Review, 1959, Supplement, p. 1.

Treaty Organization logistic system and other inter-nation alliances and systems.[5] This system is continually undergoing revision and has approximately 300,000 items added each year. It was in operation on a large scale and a "going concern" for the purposes of interservice supply support, concurrent with the early phases of both the wholesale and retail programs.

## The Early Stages

Meetings of the Interservice Supply Support Committee were usually held once a month. The service supply managers were enveloped in an array of matters demanding their personal attention and provided only broad policy guidance and major decisions at these monthly meetings. The day to day operations and continuity was left to a "Permanent Work Group" of their representatives and a Secretariat furnished by the chairman of the Interservice Supply Support Committee. Since the position of chairman was rotated annually among the military services, permanent staffing and a continuing entity to oversee the program was impossible. Correction of this situation was made on January 1, 1957 with the founding of the "ISSC Record Office" to provide the needed continuity.

With the Permanent Working Group as the administrative agent, and the Secretariat-ISSC Records Office as the clerical agent, work moved ahead in formulating procedures and recommendations for the Interservice Supply Support Committee's

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[5] George C. Dyer, Naval Logistics (Annapolis, Maryland: United States Naval Institute, 1960), pp. 196-197.

approval. Directives and instructions were originated for the Area Coordinating Groups and the Overseas Coordinating Groups in the retail level program.

Six Area Coordinating Groups were established with boundaries according to the then existing continental Army Commands. Overseas Coordinating Groups were activated within the perimeters of the Joint Commands as laid down by the Joint Chiefs of Staff. These two types of geographic committees were the last layering of the organization established to implement the directive of the Secretary of Defense. Their members would be representatives of the activities which could provide or receive interservice supply support. They would draw up the actual agreements and accomplish the physical transfers of material. The overseas groups were responsible for the full range of both retail and wholesale interservicing while the area groups were limited to the retail level alone. The Commodity Coordination Groups in the United States were the counterparts of the Area Coordination Groups on the wholesale level.

The ISSC Instruction Number One--Overseas was published in May 1956. Further directives to all echelons followed and instructions were issued on the prosaic items of agreement formats, numbering systems, distribution of information and submission of reports. The Interservice Supply Support Committee and its administrative and clerical subunits were now functioning--preparing and publishing charts, memoranda, and directives, answering field inquiries, and maintaining files

of agreements and minutes of meetings--processing the myriad of documents pertaining to the program. The area and overseas groups were meeting to determine items susceptible to interservicing and serving as a needed forum to disseminate the program's concept, bring together the principals in such transactions, and encourage support between the military services where most efficient and economical.

## Some Problem Areas

In these forums provided by the area and overseas groups, the several major problems in Retail Interservice Supply Support were brought up. Some were to be self-correcting, some were to be solved by actions and changes within and without the program, and some were to remain until the present day.

The question of reimbursement procedures and requirements came to the forefront. As retail interservicing became popular, supplying activities found a significant drain on their resources with no recourse to reimbursement. A directive[6] promulgated by the Department of Defense providing waivers of reimbursements for individual transactions under $100 proved a "boon" to receiving agencies. Small units such as recruiting centers or reserve training activities seldom had transactions over $100 and many other receiving activities, whether by accident or intent, might have relatively few individual orders

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[6] U. S., Department of Defense, Waiver of Reimbursement for Inter-Agency Transactions of Less than $100 Value, Directive Number 7230.1, May 19, 1953.

exceeding that value. The supplying activities found that filling these many requests became a one way transaction, a financial drain with no recourse for reimbursement and thus at times they became reluctant parties in furthering the cause of Retail Interservice Supply Support. This reluctance was to remain until the directive was modified in later years.

Another problem which arose was that of the Federal Stock Numbers. "Commonality" was still a goal and not an achievement in the federal catalog system. Although federal stock numbers might have been assigned to the group of items two activities were considering for interservicing, confusion of terms and specifications could well arise. As an example, an identical broom could have different stock numbers assigned because the color of the handle was green in the Army and blue in the Navy. Also, if the broom was packaged as one unit or a dozen combined into one unit, different stock numbers could result. It was to take concentrated effort by many standardization groups before basic corrections were made. This danger exists today as large arrays of new items are added daily.

A third problem was a carryover from the "common sense and common goals" era of Retail Interservice Support and concerned the basic parameters of the program. This base question continually appeared in the minutes of area meetings and was asked by other sources: "Why limit the program to the supply field alone?" The implementing directive and Joint Agreement on the program applied only to material and directly related services. The entire gamut of services ranging from maintenance of vehicles to printing of menus, as examples, fell

outside the scope of the program. It was in this logistical services area where the greatest potential existed in the view of many. Yet, under policy guidance to date, the coordination groups were prohibited from exploiting such a fertile field. Services support, which was viewed as separate from supply support, had no comparable program nor coordinating body in the Department of Defense, but was being utilized as widely as the material side in interservicing.

Added to this was the problem arising in the reporting system over the difficulty of separating the service and supplies transactions for statistical reporting purposes. Reports were subject to controversy and confusion over where "material" ended and "services" commenced.

## Reporting the Status

Although the organization of the Interservice Supply Support Committee placed no reporting requirements upon the committee, it periodically rendered joint status reports to the service chiefs who had signed the Joint Agreement creating the committee. The report of progress for the period January 1, 1957 to July 1, 1957, stated in part:

> The Interservice Supply Support Program has been expanded considerably during the reporting period. The military services are continuing to place major emphasis on expanding the Program as rapidly as possible. . . . The Interservice Supply Support Program has been recognized by the Secretary of Defense as one of the major Department of Defense programs effectively eliminating unnecessary overlapping and duplication within the supply operations of the military services. The Program to date has been highly successful. This record is largely the result of enthusiastic acceptance and aggressive execution by the field commands.

It must be noted here that the comments above apply to the entire program--wholesale and retail--and the wholesale sector had shown the more spectacular record in dollars and accomplishments at this point in time.

> . . . Area Coordination Groups reported $10.9 million worth of interservicing accomplished; the aggregate of overseas commands reports is $125.2 million. These figures include a variety of logistic service agreements as well as the interservicing of supplies. Interservice agreements frequently cover both supplies and logistic services in the same agreement, making it impractical to produce separate figures dealing with only the interservicing of material.
>
> During the period covered by this report, the Office of the Assistant Secretary of Defense (S & L) repeated a request for concurrence in a proposed directive which would merge the Material Redistribution Division and ISSC Records Office. . . .[7]

## A Merger Effected

The Material Redistribution Division was attached to the office of the Assistant Secretary of Defense (Supply and Logistics), and acted as the coordinating body for reporting, screening and redistributing "Excess Personal Property" under Defense Department control. Excess personal property is essentially used assets no longer required by an activity of the Department of Defense. These items ranged from a few used typewriters at one small activity to an entire base considered excess to the defense establishment requirements. This

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[7] Interservice Supply Support Committee, "Memorandum for the Chiefs of Staff Army and Air Force, Chief of Naval Operations, Commandant of the Marine Corps." Subject: Report of Progress by the Interservice Supply Support Committee, U. S. Department of Defense, October 22, 1957.

division dealt with "used" assets, and was the counterpart of the Interservice Supply Support Committee and its agencies, which handled "new" assets.

Since both bodies had primarily the same objectives and differed only in the arbitrary character of new or used materials, a merger of their activities was a logical course of action. This action was effected in December 1957, establishing a single organizational unit to perform the functions previously required of the Material Redistribution Division and the Interservice Supply Support Records Office. The directive accomplishing this reorganization provided that:

> A. In order to carry out policies set forth in this Instruction, an "Interservice Material Utilization Agency" will be established. Such organization will hereafter be referred to as the "Agency." Concurrently, the Material Redistribution Division and the Interservice Supply Support Records Office will be disestablished.
>
> B. The "Agency" will assume all functions now performed by the Material Redistribution Division. . . . In addition, the Agency will assume all functions now performed by the Interservice Supply Support Committee Records Office. . . .
>
> C. The Agency will operate under the supervision of the Interservice Supply Support Committee and in conformance with supply policies of the Assistant Secretary of Defense (Supply and Logistics). The Directorship will normally rotate among the services based on nominations of the Interservice Supply Support Committee to the service concerned. Military personnel on the joint staff of the Agency will be assigned by the four services. Administrative support will be furnished by the Secretary of the Navy.[8]

The life of this new agency was quite brief and no

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[8]U. S. Department of Defense, Utilization of Department of Defense Material Assets, Directive Number 4140.12, December 2, 1957.

significant achievements were made under its name. The retail sector of interservice supply support continued on the same level, with the primary drive and concern directed toward the wholesale sector. During this period, the Secretary of Defense and his immediate subordinates were considering the all-inclusive aspects of the military logistics area, with occasional proddings from the Congress as typified by the "McCormack Amendment" to the 1958 Department of Defense Reorganization Act, which provided in part:

> Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate.[9]

## A New Entity

But the Defense Department had not been standing still in this area. The long history of discussions and debate over the military logistics system problems resulted in the following action:

> . . . the Secretary of Defense ordered a critical appraisal of the principal arrangements for coordinating the supply and logistics systems of the Military Departments and the development of plans for further steps to improve the integration of supply and logistics systems. The findings of this Logistics Systems Study Project (LSSP) issued in 1958, were to the effect that the single-manager plans are effective supply management techniques. Primarily as a result of this project, the Armed Forces Supply Support Center was established in 1958. The LSSP project was

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[9] U. S., Statutes at Large, LXXII, 514, sec. 3.

discontinued before completing the development of an ultimate plan of organization.[10]

The creation of the Armed Forces Supply Support Center was but one step away from what was to become the Defense Supply Agency. The powers and authority accorded this center became the core of the "super agency" for supply matters. While not a deciding factor in the rapid chain of events, the Retail Interservice Supply Support Program was swept along with the larger programs in the area.

The purpose and objectives of the Armed Forces Supply Support Center were:

1. To provide the most effective and economical administration of certain common supply functions of the military services.

2. To promote and coordinate integrated supply management among the military services concerned with common material.

3. To develop means for the elimination of any undesirable inconsistency, duplication and overlapping among supply operations of the military services, and for the elimination of any unnecessary administrative procedures.[11]

However, the Center was prohibited from engaging in the determination of material requirements, or in procurement, inventory control, storage or distribution operations. These functions remained under the purview of the individual military services for the present.

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[10] U. S. Department of Defense, Integrated Management of Common Supply Activities, Report of the Study Committee, July 11, 1961, p. 1-3.

[11] U. S. Department of Defense, Establishment of the Armed Forces Supply Support Center, Directive Number 5154.14, June 23, 1958, p. 2.

The Center was placed under the general direction of a council--the Armed Forces Supply Support Council--and under the direct supervision of a Director who was responsible to the Council for internal management and current operations. The responsibilities of the Council were:

> The AFSS Council provides a fully-representative executive group, responsive to the military services, but under the direction of the Secretary of Defense, to exercise general direction over the work of the AFSS Center. The principal functions of the AFSS Council will be to approve and review progress in accomplishing the work projects established by the Director of the AFSS Center; to approve appointments to key positions within the AFSS Center on the recommendation of the Director; to make decisions to the extent authorized, based upon the analyses and recommendations submitted by the Director, to be implemented through appropriate channels within the military services; and to make recommendations (including additions to and changes in DOD Directives and Instructions) for decisions and implementation by responsible officials of the Department of Defense. The AFSS Council shall delegate to the Director the authority necessary to carry out the functions of the AFSS Center.[12]

Membership of the Council consisted of the Deputy Assistant Secretary of Defense (Supply and Logistics) as chairman, a principal military representative of general or flag rank appointed by each of the four military services, and the Director of the Armed Forces Supply Support Center. In essence, the Interservice Supply Support Committee was transformed into the Council.

Functions to be performed by the Center were given in four basic areas:

1. Administers the Federal Catalog Program. . . . The AFSS Center will prepare and publish catalog data and insure conversion of military supply systems to the exclusive use of Federal Catalog data.

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[12] Ibid., p. 3.

2. Administers the Defense Standardization Program. . . . The AFSS Center will recommend the assignment of responsibility among the military departments, monitor studies, and monitor the development of specifications and standards in accordance with approved plans and schedules.

3. Administers the Defense Material Utilization Program. . . . In this connection the AFSS Center develops procedures, to be executed by the Commodity and Area Coordination Groups after approval by the AFSS Council, to assure the cross-utilization of assets in order to minimize procurement, stockage and transportation.

4. In accordance with specific projects, conducts analyses of the operations of the supply systems of the military services concerned with commercial and non-commercial common items of material, to obtain optimum integration in the interest of increased military effectiveness and economy. . . .[13]

The Armed Forces Supply Support Center had taken over the Interservice Material Utilization Agency completely with its assigned tasks in the retail interservice support area. These tasks were included in the third basic area of endeavor assigned the Center by the Department of Defense directive. No change in tenor of operation was experienced in the retail sector of interservice logistic support under the aegis of the Center. The wholesale sector continued to be the focus of effort and action.

## A Larger Parallel

In October, 1958, the Assistant Secretary of Defense (Supply and Logistics) distributed a proposed directive resulting from a review of interservice support policies.[14] His

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[13] Ibid., p. 4.

[14] Perkins McGuire, Assistant Secretary of Defense (Supply and Logistics), "Memorandum for the Assistant

memorandum to interested parties stated in part:

> Subject review was directed by the Deputy Secretary of Defense memorandum of 6 May 1958. Addressees were designated as principles and, at my request, nominated representatives to participate in a working group approach to this review.
>
> Considerable staff effort has been spent in review and analysis of all aspects of interservice support policies and procedures. On the basis of this review and analysis, my staff has prepared a proposed DOD Directive, . . .

Although undergoing many revisions, the basic proposal remained intact and was issued in March of 1960 as a Defense Department Directive under the subject heading: "Basic Policies and Principles for Interservice Support."[15] In an initial view, this new directive could have been regarded as revised guidance to the 1955 Department of Defense Directive.[16] But, a key word was missing--Supply. The stated purpose was to prescribe basic policies and principles for interservice support within the Department of Defense. No mention was made of the history or existence of Interservice Supply Support and its basic directive remained in effect.

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Secretaries of Defense (All); the Assistant Secretaries of the Army (Logistics), Air Force (Material), Navy (Material); Deputy Director for Logistics Plans, Joint Staff; Deputy Chief of Naval Operation (Logistics); and the Director for Armed Forces Supply Support Center," U. S. Department of Defense, October 6, 1958.

[15]U. S. Department of Defense, Basic Policies and Principles for Interservice Support, Directive Number 4000.19, March 26, 1960, p. 1.

[16]U. S. Department of Defense, Interservice Supply Support, Directive Number 4140.6, July 5, 1955.

The following definitions were set forth to apply to an Interservice Support Program:

A. Interservice Support

Action by one Military Service or element thereof to provide logistic and/or administrative support to another Military Service or element thereof. Such action can be recurring or non-recurring in character, on an installation, area or world-wide basis.

B. Logistic and Administrative Support

Those aspects of operations which deal with: (1) research, development, test and evaluation; (2) acquisition, storage, movement, distribution, maintenance, evacuation and disposition of material; (3) movement and evacuation of personnel; (4) medical services, including aeromedical evacuation; (5) communications services; (6) acquisition or construction, maintenance, operation, and disposition of facilities; and (7) other logistic and administrative services. It comprises planning, management, and execution of responsibilities.[17]

The overall philosophy of this directive closely paralleled the one on Interservice Supply Support. It applied to all elements of the Department of Defense and stipulated maximum practical utilization of interservice support when such support was to the overall advantage of the Department of Defense. Provisions were included for adjustments in manpower and funding although "Interservice support usually shall be performed on a cross-servicing basis unless otherwise provided in DOD Directives or Instructions."[18] Cross-servicing requires reimbursement for any support rendered by the Military Service receiving support. The full text of this directive is contained

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[17] Basic Policies and Principles for Interservice Support, pp. 1-2.

[18] Ibid., p. 5.

in Appendix 1, and it is the basic authority for the current Interservice Logistic Support Program.

To implement the Department of Defense directive, a Joint Agreement was concluded in June, 1960 to provide uniform direction for coordinated action among the Military Services. A Joint Working Group of four members was established to coordinate the following actions on an interservice basis:

1. Develop an index of all existing Joint and Service regulations, directives, circulars, and letters, the application of which involves interservice support.

2. Develop a comprehensive listing, by appropriate title, of all existing interservice support agreements, and arrangements effected at Departmental level.

3. Insure revision, updating and documentation, of all such Departmental arrangements for interservice support to bring them into consonance with established DOD policy.

4. Provide to Chiefs of Military Services periodic reports, as required, of progress toward full implementation of the DOD policy.[19]

The group monitored the development, submission and consolidation of a one-time report concerning the management of personnel and dollar resources utilized in interservice support. However, a memorandum dated November 17, 1961 disestablished the Joint Working Group, noting that the functions would henceforth be carried on through normal staff actions.[20]

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[19] U. S. Department of Defense, Joint Army-Navy-Marine Corps-Air Force Agreement on Interservice Support, June 29, 1960, p. 1.

[20] Roswell Gilpatric, Deputy Secretary of Defense, "Memorandum for the Secretaries of the Military Departments; the Director of Defense Research and Engineering; the Chairman of the Joint Chiefs of Staff; the Assistant Secretaries of

## The Largest Parallel

The Secretary of Defense issued a memorandum on the integrated management of common supply and service activities in May 1961, outlining his views and the action he desired:

> I consider continued sound progress in the integration of common supply and service activities to be one of our primary means of achieving substantial improvement and economy in logistics management during the next four years.
>
> I am thus adding to the list of priority projects, issued on March 3, Project No. 100 which is defined and established by this memorandum.
>
> I am assigning responsibility for this project to the General Counsel, who will chair a study group composed of himself and the four Logistic Assistant Secretaries. I am directing this Committee to submit by July 1 three alternative plans of organization and management of common supply and service activities. These plans should include comprehensive statements of the advantages and disadvantages associated with each plan. From among these plans the addressees and I will make a final decision as to the proper long-term blueprint for managing common supply and service activities.[21]

The Committee submitted its findings on the three alternatives the Secretary had outlined. Plan 1 was based on continuation of the principle of assigning Single Manager responsibilities to the individual Military Departments. Plan 2 consisted of a consolidated common supply and service agency

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Defense; the General Counsel; the Special Assistant and the Assistants to the Secretary of Defense; the Chiefs, Defense Atomic Support Agency and Defense Communications Agency; and the Directors, Defense Intelligence Agency, Defense Supply Agency and National Security Agency," enclosure 1, p. 8.

[21] Robert S. McNamara, Secretary of Defense, "Memorandum for the Deputy Secretary of Defense; the Secretaries of the Army, Navy and Air Force; and the Chairman, Joint Chiefs of Staff," U. S. Department of Defense, March 23, 1961, p. 1.

assigned to the Secretary of one of the Military Departments. Plan 3 presented the same type and scope of agency as Plan 2, but with that Agency reporting directly to the Secretary of Defense.[22]

The decisions resulting from the work of this Study Committee were not long in coming. The public was informed on Thursday, August 31, 1961:

> Secretary of Defense Robert McNamara today announced a decision to establish within the Department of Defense a Defense Supply Agency to manage, procure and distribute certain common supplies and related services.
>
> Establishment of the new Agency, resulting from studies directed by the Secretary in March, 1961, will, the Secretary said, "result in substantial improvement and economy in our logistics management."
>
> Among the functions to be taken over by the Agency are those now carried on by the Armed Forces Supply Support Center. . . .
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> . . . . . .
>
> The Director of the Defense Supply Agency will be appointed by and report directly to the Secretary of Defense. The Agency will be jointly staffed except as otherwise approved by the Secretary.[23]

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[22] U. S., Department of Defense, Integrated Management of Common Supply Activities, Report of the Study Committee, July 11, 1961, parts IV, V, VII, VIII.

[23] U. S., Department of Defense, New Release Number 885-61, Office of Public Affairs, August 31, 1961.

## CHAPTER IV

## THE RECENT INTERVAL

### The New Agency

On October 1, 1961, thirty-one days after the Secretary of Defense's announcement, the Defense Supply Agency was established and immediately assumed the functions of the Armed Forces Supply Support Center.[1] The official "charter" was promulgated by a Department of Defense Directive in November, 1961.[2] This document provided for the creation of the agency under the direction, authority and control of the Secretary of Defense. The agency was to consist of a Director, Deputy Director, a headquarters establishment, and such subordinate activities as assigned. In addition, the Director was authorized to establish units for the accomplishment of the agency's mission. The chain of command specified ran direct from the Secretary of Defense to the Director of the agency.

The scope of the Defense Supply Agency operations was delineated as the area of common supplies and common services. Common supplies were defined as those items of supply which

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[1]"This is DSA," U. S. Navy Bureau of Supplies and Accounts, Newsletter, XXV, No. 2 (February 1962), pp. 7-9.

[2]U. S., Department of Defense, Defense Supply Agency (DSA), Directive Number 5105.22, November 6, 1961.

are determined to be susceptible to integrated management by a single agency for all of the military services. Common services were limited to such services directly associated with the supply management function. Geographical scope of the agency was given as the continental United States.

A Council was formed to advise and assist the Secretary of Defense on the agency's operations. Its membership was composed of the Deputy Secretary of Defense as chairman, the Secretaries of the three military departments, the Chairman of the Joint Chiefs of Staff, and the Assistant Secretary of Defense (Installations and Logistics). The Council was loosely formed and could deal with any topic in the area it or the Secretary of Defense desired.

Responsibilities assigned the new agency were the following:

A. Providing the most effective and economical support of common supplies and services to the military departments and other DOD components.

B. The organization, direction, management, administration, and control of the supply and service functions. . . .

C. The organization, direction, management, administration and control of electrical and electronics material assigned to DSA by the Secretary of Defense.

D. The organization, direction, management, administration, and control of such other commodities and services as may be directed by the Secretary of Defense.

E. A wholesale distribution system for assigned supplies.

F. Performing or arranging for material inspection of all assigned supplies.

G. Administration and supervision of the DOD Coordinated Procurement Programs, the Federal Catalog Program, Material Utilization Program, the Defense Surplus

Personal Property Disposal Program, and such other programs as may be directed by the Secretary of Defense.

H. Systems analysis and design, procedural development, and maintenance of assigned supply and service systems and as authorized by the Secretary of Defense.[3]

Under the broad responsibilities comprising the agency's missions, functional areas were assigned and treated in detail.[4] The general headings of the functions included:

A. Coordinated Procurement

B. Cataloging

C. Standardization

D. Material Utilization

E. Systems Analysis and Design

F. Material Management

G. Traffic Management

H. Surplus Disposal

Full access to all elements of the Department of Defense was accorded the Director of the Defense Supply Agency. He was directed to maintain appropriate liaison and close working relationships with other agencies. The agency was to make use of existing facilities to maximize efficiency and economy; and all components were enjoined to provide appropriate support to its Director.

In addition to creation of the headquarters element, the existing and planned Single Managers were included as field activities of the agency. Also under the agency "umbrella,"

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[3] Ibid., pp. 3-4.

[4] Ibid., pp. 4-15.

a Defense Logistics Services Center was instituted. The old Armed Forces Supply Support Center comprised its core, to which were added the U. S. Army Property Disposal Center, the Defense Surplus Bidders Control Office and 34 geographically spread Defense Surplus Sales Offices.

Retail Interservicing Segment

The program that was being administered by the Armed Forces Supply Support Center appeared in the responsibilities of the Defense Supply Agency, primarily under the functional area of Material Utilization. The provision of this paragraph provided that the agency would:

1. Administer and develop the Defense Material Utilization Program.

2. Develop systems and procedures for and recommend to the Secretary for Defense assignments of responsibility to the military departments to assure the cross-utilization of assets in order to minimize procurement, stockages and transportation.

3. Review and evaluate the operation of the Defense Material Utilization Program and make changes as required to improve the effectiveness of operations.[5]

Also, in assuming control of the Armed Forces Supply Support Center, the agency inherited the responsibilities contained in the directive[6] establishing the center.

The first months of the Defense Supply Agency's life was a period of establishing the organization, and shaping

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[5] Ibid., p. 6.

[6] U. S., Department of Defense, Establishment of the Armed Forces Supply Support Center, Directive Number 5154.14, June 23, 1958.

policy and procedures. Goals were to be determined and program priorities formulated. Once again, the wholesale segment and other programs absorbed most of the talent and energy available, as the areas demanding immediate attention.

> Prior to the establishment of DSA, primary attention was focused on the wholesale aspects of interservicing. This emphasis on wholesale (Inventory Control Point level) operation was continued initially under DSA due to priorities established for the allocation of limited resources. The attention by Congress, General Accounting Office and Department of Defense upon wholesale interservicing dictated that initially all available resources be devoted to that area. As a result, retail interservicing has remained substantially the same operation as was originally developed in the period 1956 through 1958.[7]

In March, 1962, the interservice supply support function was transferred from the Defense Logistics Services Center to the Material Interservicing Division, Directorate of Logistics Services, Defense Supply Agency.[8] Later in the same year, a Retail Branch was instituted within the Material Interservicing Division. It began to operate in November with the mission of developing policy, criteria and procedures for optimum interservice support at the retail level within the Department of Defense.[9]

## A Plan of Action

The Retail Branch instituted a project for the

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[7]U. S., Department of Defense, Defense Supply Agency, "Area Coordination Groups Briefing," October-November, 1963, p. 3.

[8]U. S., Department of Defense, Defense Material Interservicing Manual of Procedures, Defense Supply Agency, DSAM 4140.1, March, 1963, p. 1-1.

[9]"Area Coordination Groups Briefing," op. cit., p. 3.

"Development of Retail Interservicing Program."[10] The project determined the problem area to be the development of a comprehensive integrated program which would require and facilitate optimum interservice support at the retail level. The project as developed was very similar to the continuing mission assigned to the Retail Branch. The project outline stated that a major program effort was urgently needed and cited the following reasons:

a. The foundation for the existing retail interservicing procedures is not well defined in existing DOD directives.

b. The program concept has not been reviewed in the light of developments in DOD logistic support concepts in the last three or more years.

c. The organization of military service and DOD elements to accomplish these procedures is based upon outdated directives and joint agreements.

d. Some specific problem areas have been identified and other problems are suspected but not precisely defined. Relative priorities and allocations of personnel have precluded any significant effort to overcome these problems.

e. The results achieved under this program have been relatively steady the past three fiscal years at a level averaging a little over $200 million a year. (FY 60--$218 million; FY 61--$216 million; FY 62 (1st half only)--$103 million.)[11]

It was considered that the study must be sufficient both in breadth and depth to provide a sound basis for a comprehensive,

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[10] U. S., Department of Defense, Defense Supply Agency, Development of Retail Interservicing Program, Material Interservicing Division Project #17 (Master Development Project #342), December 19, 1962.

[11] Ibid., p. 1.

integrated program. A basic question was set forth:

> Are services, beyond those immediately related to the transfer of material, properly included in the program and if so, what services should be so included?[12]

This somewhat oversimplified question was to be the one major item of consideration. Many others were inherent in such a broad based project, and more would be revealed as the study passed through progressive phases.

Subsequently, the project was split into two parts. One part became Project #6, "To Determine Adequacy of Reimbursement Policy and the Scope of Services." The other became Project #7, "To Study Functional Areas of Retail Interservicing to Develop Specific Program Improvements." Although both projects and their respective parts ran concurrently and were interrelated to a degree, they shall be viewed separately for the purpose of clarity.

## Reimbursement Policy

The study of reimbursement policy part of Project #6 shall be considered first, for it produced the most definite and immediate results. Area Coordination Group meetings had resulted in discussions on the hindrances encountered in retail interservicing due to funding policies. The discussions primarily centered on the provisions of a Department of Defense directive that contained a waiver provision:

> Determination has been made that the procession of numerous small dollar-value vouchers for reimbursement for inter-agency transactions results in unnecessary expense and

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[12] Ibid., p. 2.

> uneconomical use of manpower. It also has been determined that the interests of the military departments will be best served by a uniform policy equally applicable to all departments and agencies thereof. Each military department shall, therefore, take immediate action to waive collection of reimbursements for inter-agency transactions where the amount involved is less than $100. . . .[13]

The logic of the foregoing statement was obvious. But, when viewed in the light of encouraging retail interservicing with small units, a definite drain was felt by the supplier. This position was echoed in past years by such comments as:

> Armed Services are required to furnish support to various services and because of the $100 limitation, of necessity sizable amounts of mission funds are used to give this support without reimbursement. It was suggested that a procedure be instituted whereby costs would be accumulated and collected on a quarterly basis.[14]

> All representatives agreed that the waiver of reimbursement provision acts as a barrier to full acceptance of the program.[15]

Studies coordinated with various echelons and field trips to several activities uncovered additional areas of concern:

a. Even when reimbursement was authorized and accomplished, the funds did not always return to the activity providing the support. The funds in some cases were retained by a higher command and/or delays were encountered in retrieving them expeditiously for local level use.

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[13] U. S., Department of Defense, Waiver of Reimbursement for Inter-Agency Transactions of Less Than $100 Value, Directive Number 7230.1, May 19, 1953, pp. 1-2.

[14] U. S., Department of Defense, Minutes of Area Coordination Group II Meeting, December 16, 1959.

[15] U. S., Department of Defense, Minutes of Area Coordination Group III Meeting, May 1, 1959.

b. Reimbursement accomplishment was a slow process in many areas. Suppliers had their funds tied up awaiting the completion of the reimbursement process. These funds were thus unavailable for their immediate use and might be lost permanently due to cut-off dates for obligation of yearly appropriations.

c. Field activities were not always in possession of full knowledge of reimbursement procedures. A lack of accurate or current information could jeopardize the desirability and advantages of the retail interservicing program.

d. There were several directives from the Department of Defense dealing with various facets of reimbursements, applicable to many areas as well as the retail program.

A Department of Defense policy promulgated in 1960 on the broad aspects of reimbursements provided in part:

> Reimbursements for: (1) work, (2) services and (3) sales of consumable material from stocks on hand for local consumption, for the cost of which the supplying operating unit is funded as a consumer, will be subject to automatic apportionment authority. . . .[16]

The staff study which resulted from the project summarized the services implementation of the Department of Defense directive thus:

> a. The Army implementation . . . provides for an automatic reimbursement" policy to be placed in effect beginning FY 1962. [July 1, 1963] The essence of this policy is that Army field activities have authority to automatically increase their available funds by the amount of work or service performed for other activities

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[16] U. S., Department of Defense, Budgeting, Funding and Accounting for Appropriation Reimbursements, Directive Number 7230.5, July 26, 1960, p. 3.

on a reimbursable basis. . . .

. . . . . .

b. The Navy Department, including both the Navy and Marine Corps, also published implementation of a similar "automatic reimbursement" policy. . . .

c. The Air Force has not, as yet, implemented the letter of DOD Directive No. 7230.5. . . . However, a "reimbursement-before-the-fact" policy is in effect throughout the Air Force. Reimbursements for work and services to be performed and for sales of materials to be made are estimated and provided for in budgets developed at the beginning of the fiscal year. . . .[17]

These developments were in the process of promulgation and would soon be effective. It was considered that these actions would effectively alleviate the problems enumerated in a. and b. above. No further action in these areas were anticipated in concluding Project #6. However, the $100 waiver feature, the multitude of directives dealing with reimbursements in the area and the lack of familiarity with procedures by the military operating units were still outstanding items requiring action.

The conclusions and recommendations of the staff study dealt with three major items.[18] The first item recommended the consolidation of the reimbursement directives issued by the Department of Defense. This was primarily a convenience factor and no further action was taken on it. The second item suggested that field activities be given new directives by their individual services on reimbursement procedures. This recommendation also provided that the Retail Branch present

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[17] U. S., Department of Defense, Defense Supply Agency, Staff Study--DOD Reimbursement Policy Applied to Retail Interservicing, February 6, 1963, pp. 3-4.

[18] Ibid., p. 6.

current reimbursement policy to the Area Coordination Groups at an early date. These actions were felt necessary to insure the field activities were conversant with required procedures.

The third item concerned the waiver for transactions under $100 in value. As recommended by the staff study, a memorandum was sent to the Assistant Secretary of Defense (Comptroller).[19] It requested a revision of the current directive to provide for the accumulation of money value of support provided by an activity, and billing of the receiver when the value reached $100. In reply, the Deputy Assistant Secretary of Defense concurred with these comments:

> The provisions of DOD Directive 7230.1, Paragraph IV A, should be interpreted to permit accumulating charges for reoccurring-type support transactions between two components of the Department of Defense when the value amounts to less than $100 during a normal billing cycle. Reimbursement vouchers should be prepared at the time the value of such transactions totals $100 or more.
>
> DOD Directive 7230.1 will be revised at the earliest practicable date to reflect the interpretation above.[20]

Final action on this item was taken in August 1964 with the cancellation of the old directive by a new one. This directive[21] provided that transactions would be accumulated on a quarterly

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[19] U. S. Department of Defense, Defense Supply Agency, "Memorandum for Assistant Secretary of Defense (Comptroller)," March 5, 1963.

[20] Daniel Borth, Deputy Assistant Secretary of Defense (Accounting and Audit), "Memorandum for the Comptroller, Defense Supply Agency," U. S., Department of Defense, March 19, 1963.

[21] U. S. Department of Defense, Waiver of Appropriation Reimbursement for Transactions of Less than $100 Within the Department of Defense, Directive Number 7230.1, August 25, 1964.

basis and waived only when the value for the entire quarter did not exceed $100. With the promulgation of this policy, the first part of Project #6 was essentially accomplished.

## The Program's Scope

The second part of Project #6 concerned the scope of the Interservice Supply Support Program. As developed earlier in this text, there were contradictions and confusion in placing responsibilities for the program. Different organizations had been formed to deal with interservicing and their authority overlapped. This project was intended to firmly establish logical parameters of the program.

The staff study dealing with the second part of Project #6 stated the problem more specifically:

> To determine whether services, other than those services incident to the supply of material, should be included in the retail level Interservice Supply Support Program.[22]

The study brought together the pertinent developments and evolution of the program to date. It found a volume of data briefly restated here:

a. The Defense Supply Agency acquired the program as established by DOD Directive 4140.6, which confined its scope to supplies and related services.

b. A demonstrated potential exists at the retail level for interservicing of services not directly related to

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[22] U. S., Department of Defense, Defense Supply Agency, Staff Study--Scope of Interservice Supply Support Program, March 28, 1963, p. 2.

supplies. Previous studies were cited to support this statement. Examples of Area Coordination Group reporting were given wherein dollar value of retail interservicing of services exceeded that of supplies.

c. No single agency at present coordinates or promotes the interservicing of the broader area of logistical services.

d. Management of supplies and services are in large measure mutually supporting functions. Artificial separation is not the most efficient, and confuses field activities dealing with both. Statements were cited requesting unification and clarification of these areas from various echelons.

e. Many DOD directives have compounded the confusion by providing different definitions and interpretations of terminology. Several examples were given.

f. DOD Directive 4000.19 provided basic policies for the broadest range of both supplies and services. The group set up to administer this program has since been dissolved with no replacement.

g. The Defense Supply Agency has, in being, the requisite organization for the management, administration and supervision of an expanded program. The present Interservice Support Supply Program and basic staff organization can easily be broadened to include all services.[23]

Three conclusions were rendered at the end of the study. They drew the expected determinations in the interest of economy

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[23] Ibid., pp. 2-8.

and effectiveness. They also proposed to fill the revealed vacuum:

1. That the present Interservice Supply Support Program at the retail level should include logistical services. . . and the whole redesignated as the Interservice Logistic Support Program.

2. That existing DOD directives concerning retail level interservice logistic support should, insofar as possible, be consolidated into a single directive providing DOD policy guidance to the Interservice Logistic Support Program.

3. That the Defense Supply Agency should be assigned responsibility for direction, management, administration, and supervision of the Interservice Logistic Support Program. . . .[24]

These recommendations, basically unchanged, were forwarded to the Assistant Secretary of Defense (Installations and Logistics). He approved the recommendations in October, 1963 in a letter to the Assistant Secretaries of the three services concerned with logistics and the Director of the Defense Supply Agency.[25] His letter provided the agency with basic authority to develop the Interservice Logistic Support Program, pending revision of Department of Defense directive 4000.19, which governed the interservice support field. This directive has not yet been revised and still is the basis for policy and principles. It is reproduced as Appendix A. The Secretary's letter authorizing the Defense Supply Agency to develop a comprehensive program

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[24] Ibid., pp. 8-9.

[25] Thomas D. Morris, Assistant Secretary of Defense (Installation and Logistics), "Memorandum for the Assistant Secretaries of the Army (I & L), Navy (I & L), Air Force (Material); and the Director, Defense Supply Agency," U. S. Department of Defense, October 2, 1963.

constitutes Appendix B. Thus, the final part of Project #6 was considered complete.

## Problem Areas

Project #7 was stated as a Functional Analysis of the Retail Interservice Logistic Support Program. Its purpose was to determine problem areas. The project listed three functions as basic to the program:

1. Exchange of logistic intelligence in order to make requirements known to potential suppliers or make capabilities known to potential users.

2. Determination of logistic capability and operational feasibility to meet specific requirements leading to agreement to so act.

3. Actual transfer of material or services, including both physical and fiscal transactions accounting as required.[26]

Secondary objectives were also determined as part of the study. They included such items as an adequate priority of resources, active program support by all echelons, uniform procedures, compatible fiscal policies and the adaptability of procedures to limited utilization. The more immediate areas of concern were considered to be the establishment and publication of policy, procedures and reporting requirements. Included in this sphere was program evaluation, promotion and coordination.

With these basic concepts, the study resulted in the

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[26] U. S., Department of Defense, Defense Supply Agency, Functional Analysis of the Retail Interservice Logistic Support Program, August, 1963, p. 1.

[illegible]

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1. [illegible]
2. [illegible]
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[illegible]

development of nine problem topics. Others had been resolved in the course of the project. Two prime areas, program scope and fiscal procedures, were resolved by Project #6. A few were added in the course of time. The nine major problem areas were:

1. Policy Guidance. The basic guidance for the program is contained in DOD directive 4000.19. This directive is currently under review for revision. The policy guidance must clearly state that the Defense Supply Agency's role in the program is non-directive, final decisions are to be made by the military services. The present directive does not include guidance for interservice support to other federal agencies outside DOD. Field activities face this question regularly and should be provided policy guides.

2. Limited Mobilization. Full mobilization would undoubtedly impose rigid controls on material and manpower. Such action would override the provisions of this program. However, under limited mobilization autonomy would probably be retained at the local level with the program in effect. The program's operations, therefore, should provide for limited mobilization. Policy and procedures must reflect provisions for these conditions. Flexibility and guidance should be provided for this condition.

3. Logistics Intelligence. Procedures must provide for the maximum contact and information exchange between field activities. Procedures must be simple and economical to encourage such interplay.

4. Actual Transfers. The procedures and forms developed must facilitate the interservicing of material and services. They should be simple, complete, easy to review and require a minimum of physical and fiscal accounting.

5. Reports. Reporting will be necessary for program evaluation and administration. Such reports should require the minimum of data elements. Information should be obtained from reporting systems now in existence where feasible. Statistical sampling should be utilized in lieu of full reporting under certain conditions.

6. Evaluation. Continued program evaluation must be provided for in the overall scheme. Evaluation must be uniform for all elements and aimed at optimum interservicing, not maximization.

7. Program Guidance. A single, clearly written, easy-to-use procedural manual must be published for program execution. The manual should be coordinated with the military services to assure uniform procedures for all activities.

8. Promotion. A full range of techniques must be developed to promote the program at command and working levels. Knowledge of, and motivation for, the program must be engendered in all agencies if the program is to be successful.

9. Coordination. The necessary structure must be determined and established for effective coordination of the overall program. The coordination mechanism must provide for identification of new problem areas, include all interested parties and be full representative of the military

services.[27]

The final product of Project #7 was the presentation of a general approach to resolve the listed problem areas. The approach proposed the development of an overall system concept, verification of the concept's feasibility, presentations to the Area Coordination Groups for their recommendations and ideas, and further refinement of the concept with the military services. At the same time, specific procedures and program guidance would be developed. The end product would be publication of improved program guidance. This approach was approved on September 5, 1963, completing Project #7 and establishing a new project for investigation and resolution of the nine problem areas.

## Basic Guidance

During the era of the Interservice Supply Support Committee and the Armed Forces Supply Support Center, a large number of individual instructions were published. These instructions dealt with sundry segments of the program in being at that time. They encompassed both the wholesale and retail levels of interservice supply support. All of these instructions were consolidated into a single manual by the Defense Supply Agency in March, 1963.[28] No changes of any

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[27] Ibid., enclosures 1 through 9.

[28] U. S., Department of Defense, Defense Supply Agency, Defense Material Interservicing Manual of Procedures, DSAM 4140.1, March, 1963.

significance were made at this time.

The next year, a new manual[29] was issued. It contained major revisions in the procedures for interservicing on the wholesale level. Again, no changes were made in the retail interservicing portion of the manual. At this point in time, pertinent provisions were:

> Interservice Supply Support. Action by one Military Service or agency (agent) to provide material and directly related supply services to another Military Service or agency (principal) either on a recurring or non-recurring basis.[30]
>
> Scope and Application. These procedures are applicable to major commands of the Military Services and subordinate activities within CONUS (excluding Alaska and Hawaii) and extend to all retail stocks of material including excess personal property, and those services directly related to the supply of material under their control.[31]

The scope and application for overseas activities was the same regarding supplies and services. However, it also included wholesale stocks since the wholesale function of the Defense Supply Agency did not extend outside the continental United States.

> Reports
>
> Interservice arrangements embracing both material and services will be considered as supply support when the estimated value of the agreement is based predominantly (i.e., 50% or more) on the furnishing of supplies (material). Support less than 50% material will not be reported.
>
> Include supply support furnished joint staffed DOD agencies, Federal agencies, National Guard Units,

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[29] U. S., Department of Defense, Defense Supply Agency, Defense Utilization Manual, DSAM 4140.1, January 1964.

[30] Ibid., p. 7. [31] Ibid., p. 65.

> Coast Guard, and organizations of like nature. This information will be included in the report format under caption OTHER, and the principal (receiving authority) will be identified (e.g., Army National Guard, Department of Agriculture).[32]

This was the background for the construction of a new manual. It was to be the focus of all previous work, studies and projects. The reimbursement policies that had impeded interservice support were resolved by Project #6. The scope of the program was also determined as another product of Project #6. The problem areas remaining and the approach to be used for their solution (the new manual) was the result of Project #7. The current manual in effect would serve as the basic skeleton for the new.

Work commenced on establishing the parameters of the manual. As outlined in the approach concept of Project #7, progressive steps were employed. Tentative instructions were developed and verified. Presentations were made to the Area Coordination Groups for their comments and recommendations. Constant refinement was made in conjunction with the military services. The culmination was the publication in January, 1965 of the Defense Retail Interservice Logistics Support Manual:

> It is intended that this manual provide a concise framework of guidance for the actual conduct of retail interservice logistic support operations. It has been prepared in sufficient detail to minimize, as much as possible, the need for additional supplementary instructions to be issued. It does not include specific provisions to cover every possible situation, but

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[32] Ibid., p. 67.

the scope, intent and concept of operations are clearly set forth.[33]

The main definitions encompassing the program provided by the new manual were illustrated in Chapter I. The complete manual is presented as Appendix C. The basic changes in policies and procedures of the program as promulgated by this manual were:

1. The scope of the program was expanded to include service support as well as supply support. The program now encompassed both as the Retail Interservice Logistic Support Program. This was the major change.

2. The functions and responsibilities of the Area Coordination Groups were redefined. Subgroups were created of a more manageable geographic size to further interservicing.

3. The reporting criteria was revised to achieve simplified reporting on a quarterly basis. Reports of interservicing with agencies outside the Department of Defense was dropped.

4. A streamlining of report and agreement formats was made. A new numbering system was instituted. Both were to enhance processing of reports by automatic data processing equipment.

Overall, this new manual established current policy guidance and promulgated it in a single comprehensive form. It provided

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[33] U. S., Department of Defense, Defense Supply Agency, Defense Retail Interservice Logistic Support Manual, DSAM 4140.4, January, 1965, p. 1.

procedures for exchange of information and for a forum for this exchange. It furnished uniform agreement formats and reporting procedures. A firm foundation had been supplied for the entire program.[34]

## Unfinished Business

The new Defense Retail Interservice Logistic Support Manual was a major milestone, but not the panacea for all problems. Some problem areas were not resolved then, and no complete solution has yet been found.

The scope of the program is still under discussion. A logical step was made in including both supplies and services in its provisions. Another facet of the program's scope is activity application. Although not specifically provided for in previous procedures, interservicing with activities outside the Department of Defense was to be reported. Such reporting is excluded under current procedures. The next logical step is to include all Federal agencies under the program umbrella. This action has been proposed and is awaiting approval at the Pentagon level of the Department of Defense.

Planning and making provision for limited mobilization is primarily the responsibility of the individual military services. The current guidance for interservice logistic support does not inhibit its use under such conditions, but does nothing to enhance or encourage such use. While planning

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[34] Ibid., chapters 1 through 4.

for limited mobilization is not a basic objective of the program, its utilization for that purpose could provide a vital logistics management tool to the military services. Agreements now in force may contain mobilization provisions concluded on the local level, but no overall planning and procedures have been developed for inclusion in the manual.

Promotion of the program will probably be a never ending process. The program's very existence presumes it has value, and therefore its use is encouraged. Future promotion should be designed to make all echelons aware of the program and its potential uses, bearing in mind the idea is to optimize, not maximize, Retail Interservice Logistic Support.

The Retail Interservice Logistic Support Program has just passed its first anniversary under the revised guidance. The Retail Branch, Interservicing Division, Directorate of Logistics Services of the Defense Supply Agency has the responsibility for the management and administration of the program. This branch is currently planning an evaluation of the program. A statistical sampling will be made of participating field activities, requesting data on the program's use, advantages and disadvantages. This evaluation is intended to determine the efficiency, effectiveness, and economic status of the problem. The results of this evaluation may reveal new problem areas, or reopen old ones.

# CHAPTER V

# SUMMARY AND PROJECTIONS

## Summary

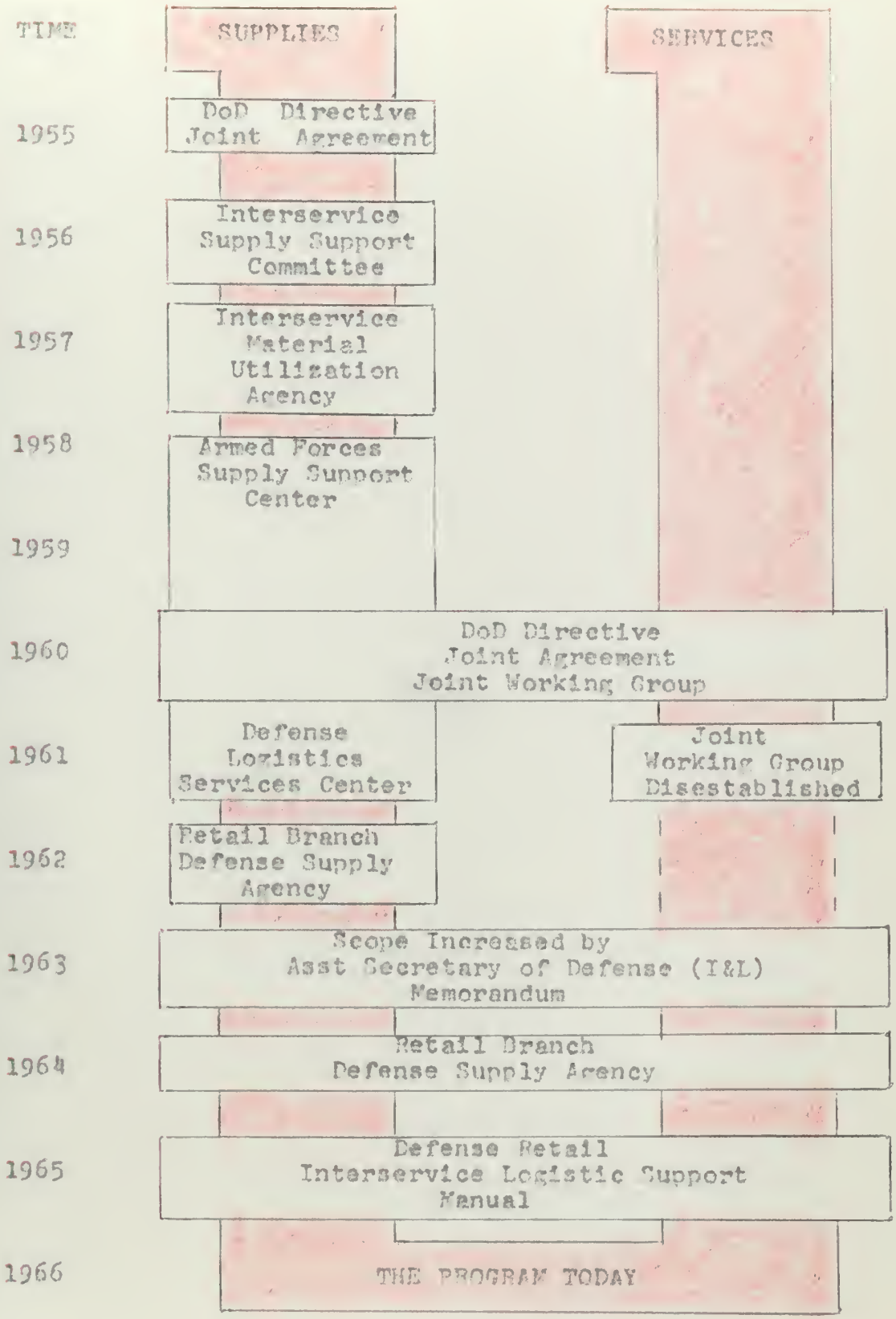
The Retail Interservice Logistic Support Program is a logistics management tool designed to increase overall effectiveness and economy in the Defense establishment. Its function is to advance the interservicing of supplies and services among retail activities of the military services and other agencies. The program's objective is to optimize, not maximize, retail interservice logistics support. The program may be measured, its progress charted, and an array of facts and figures presented to illustrate its scope and size. However, the real value of the program lies in each unit making the most efficient use of the program's benefits.

Use of the Retail Interservice Logistics Support Program is discretionary, not mandatory. It is expected that the local commander will use the program in the most judicious manner. Its purpose is to be an aid, to be employed when all factors indicate it to be the optimum means of obtaining supplies and services. In the material category, support given or received may range from ammunition to zippers, while the services sector can encompass such items as fire protection, housing, laundry, medical, warehousing, transportation, and

even mortuary services.

The initial factors that influenced the development of the program were the emerging feelings of people concerning the logistics organization of the military services. These feelings were reflected in increasing outcries for improved efficiency and economy in the military supply system. The unification of the military services under the Department of Defense in 1947 was a major step in this direction. The unified concept was strengthened by reorganization of the Department of Defense in 1949 and 1953. The General Services Administration was created in 1949, consolidating some of the supply functions scattered over the entire federal government. The wholesale segment of the supply function was centralized within the Department of Defense in 1961 by the creation of the Defense Supply Agency to administer bulk material common to the military services.

The first move in the specific area of formalized and standardized interservicing was the issuance of a directive by the Secretary of Defense in 1955, which established an interservice supply support program. Since that date, the program has been molded and shaped as it has moved through a series of directives, agreements, committees and agencies illustrated by the chart on the following page. The supply and service segments are shown, ending with their final merger into one overall program. Today, the Defense Supply Agency has full responsibility for administering the program. Under its aegis, the Retail Interservice Logistic Support Program today is


TIME
SUPPLIES
SERVICES
1955
DoD Directive
Joint Agreement
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Interservice
Supply Support
Committee
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Armed Forces
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DoD Directive
Joint Agreement
Joint Working Group
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Scope Increased by
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1964
Retail Branch
Defense Supply Agency
1965
Defense Retail
Interservice Logistic Support
Manual
1966
THE PROGRAM TODAY

provided with clear scope and objectives, and methods for their accomplishment.

## Three Avenues

The origin of the Retail Interservice Logistic Support Program has been explored, its development traced, and its current status illustrated. With this background as a basis, its course shall be projected into the future. While the possible avenues this program may take includes the entire spectrum, only three shall be considered. Two of these avenues represent the extremes of the spectrum, and while possible, are not considered in the realm of probability. The third avenue is considered to be in the spectrum middle, and close to the probable course of action for the Retail Interservice Logistic Support Program.

## The Minimum

The abolishment of the Retail Interservice Logistic Support Program would be the minimum avenue. All existing responsibilities and authority for the program's operation could be removed from the Defense Supply Agency and supporting entities. This action would mean that the Retail Branch would be disestablished by the Defense Supply Agency and the Defense Retail Interservice Logistic Support Manual cancelled. The area and bureau coordination groups and subgroups would be dissolved, and the reporting requirement would no longer exist. There no longer would be uniform guidance from the highest

echelons and the implied encouragement of such transactions it provided. No central unit would exist to coordinate the function across the military services and with other agencies. No forum would be available on the lower levels for individual activities to ascertain what they could best provide and receive from other activities in their area.

However, liquidation of the formal program would not abolish the common interest and advantages which are the foundation of any retail interservice agreement. The heart of the program is found in the interservicing actions of the field activities. The transactions would continue as a matter of common service and common goals, although probably slackening without the impetus provided by the present program. To the extent that the program is effective in its present state of development, the effectiveness would dwindle as the momentum of interservicing transactions slowed and volume decreased. However, the Retail Interservice Logistic Support Program fills a functional need, has many adherents and few opponents. It has increased in scope and moved into larger areas since its birth. The abolition of the program is considered remote, although changes in name and approaches may occur.

## The Maximum

A second avenue the Retail Interservice Logistic Support Program could follow would be expansion into a uniform logistic support system for all federal agencies. A Presidential Order could direct the mandatory use of this program by all

federal agencies, with the Secretary of Defense continuing to retain full responsibility for the program.

The effect of this kind of order would be immediate and far-ranging. The Retail Branch would escalate from its present position into a major component of the Defense Supply Agency, possibly transcending this level to become an equal agency in its own right. The breadness of the expanded program would dictate the proliferation of people and paperwork to direct and control the new system. The Defense Retail Interservice Logistic Support Manual would grow in size and the volume of required reports would multiply. The Area and Overseas Coordination Groups and Subgroups would change from interested parties having periodic meetings to full time staffs in regional and district offices.

On the local level, the effects would be profound. Any area, no matter what size, having multiple federal agencies, would be allowed only one activity dealing with supplies and support. This activity would be the sole source of support to all field activities in the area, regardless of federal agency affiliation. The logistics agent in one location might be the Post Office Department; in another, the Defense Department; in the third, the Department of Interior. These logistics agents would continue their normal functions under their respective departments, but respond to the Department of Defense in supplying material and services for their area.

The next sequence would occur after this expanded program has been in full operation for a time. Questions would

be raised on why the Department of Defense had control of logistics for all federal agencies, conflicts would arise over logistics agents in the field having two masters, one for their prime function and another for their logistics function. Studies and investigations would ensue, both in the executive and legislative branches of government. It would be one short and logical step to the President requesting, and Congress authorizing, a cabinet level Department of Logistics. This department would be responsible for the procurement, storage and distribution of all material for the entire federal government and would provide all federal agencies with required facilities and the full range of logistical services. The new department would absorb the expanded Retail Interservice Logistic Support Program, the Defense Supply Agency and the General Services Administration. The Secretary of the new department would be the federal logistics "czar," only a few items of strategic importance peculiar to the military services would remain outside his realm.

However, the powerful forces needed to produce such a presidential order and later chain of events are not in sight. Such wide and sweeping changes would undermine established departments and disturb the status quo. All other agencies would be dependent on one for logistics support; this would be received with alarm by entrenched power factions and opposition would mount. The growth of the Retail Interservice Logistic Support Program to such gigantic size, thereby engulfing the multitude of agencies in the area, is a most

improbable course. That such steps may be taken is possible, but it will be an evolutionary process, using a vehicle other than this program.

## The Probable

The Department of Defense was established in 1947. The Defense Supply Agency was created in 1961. A parallel encompassing the entire federal establishment was the founding of the General Services Administration in 1949. There has been a steady progression, under the banner of efficiency and economy, of consolidation and centralization of logistics functions within the federal government and particularly the Department of Defense.

The Retail Interservice Logistic Support Program has been a part of this progression. Its very existence was engendered by this trend. This environment was a vital factor in its growth and evolution. The program has expanded its initial concept covering only material guided by a loosely formed committee and primarily concerned with the wholesale level of interservicing. Today the program encompasses the range of supplies and services in the retail logistics support level, with well defined policies and procedures and an effective administrative organization.

The current unfinished business of the program includes the expansion to include all federal agencies under its umbrella, the planning and providing for limited mobilization under this program, and more positive steps to promote the use of the program.

In regard to inclusion of all federal agencies, it is difficult to find any basis for not projecting interservice logistic support into interdepartmental logistics support. Such support was accomplished between the services prior to the program's inception, and such support is now accomplished between departments by their field activities. Lending of the program's expertise and organization will enhance, encourage and probably expand such support. Such expansion would be parallel to the larger consolidation and streamlining of logistics support in the federal government, and would probably receive encouragement, not opposition.

Preparation for limited mobilization is primarily the mission of the individual services, but the program as a valuable tool will undoubtedly receive greater recognition as the current cold war escalates a few degrees. Specific provisions and procedures will probably be written into the manual to encourage field activities to conclude contingent agreements on a much wider scale.

Promotion of the program will in all likelihood receive added emphasis and attention. Controversies have been resolved and a clearcut program presentation can be made with firm policy and procedures for guidance. The present vitality and momentum of the program indicates that these three items will become accomplished fact in the near future.

The Retail Interservice Logistic Support Program is not an end in itself. It is a valuable management tool and a means to accomplish effective and efficient logistics support.

Its future course will be set by the larger decisions on the shape and functions of logistics organizations in the Department of Defense, and those of the entire Federal Government. It will not be the "tail that wags the dog." If the present trend continues in the logistics field of the defense establishment, supplies and services for all military services will be handled by one central organization, and the term "interservice" will become meaningless. Projecting this trend still further, one organization may eventually serve all areas of the government and the term "interdepartmental" will become archaic in the field of logistics support. Should these projected events become an accomplished fact at a future date, the Retail Interservice Logistic Support Program will have achieved its ultimate objective and, like other old soldiers, quietly fade away.

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APPENDIX A

March 26, 1960#
Number 4000.19

ASD(S&L)

DEPARTMENT OF DEFENSE DIRECTIVE

SUBJECT Basic Policies and Principles for Interservice Support

Refs.: (a) DoD Directive 4100.15, "Commercial and Industrial Type Facilities"
(b) DoD Directive 1400.4, "Civilian Graded Ceilings"
(c) DoD Instruction 1404.4, "Rights of Employees When Functions are Transferred Among Services"
(d) DoD Directive 7420.1, "Regulations Governing Stock Fund Operations?
(e) DoD Directive 7510.1, "Uniform Pricing Policy for Materials, Supplies, and Equipment Financed by Military Appropriated Funds"
(f) DoD Directive 7000.1, "Responsibility for Programming and Funding Military Public Works at Military Installations Utilized by Two or More Military Departments"
(h) DoD Instruction 7240.1, "Budgeting and Accounting Procedures for Interdepartmental Purchase Requests, Requisitions, Orders, Etc."

I. PURPOSE

To prescribe basic policies and principles for interservice support within the Department of Defense.

II. SCOPE

This Directive is applicable to all elements of the Department of Defense.

III. DEFINITIONS

The following definitions apply to the Interservice Support Program:

A. Interservice Support

Action by one Military Service or element thereof to provide logistical and/or administrative support

[illegible]

[illegible]

[illegible]

[illegible]

## [illegible]

[illegible]

**SUBJECT:** [illegible] Policies and Procedures for Intervention [illegible]

Refer: (a) DoD Directive 5100.1, "Functions of the Department of Defense and Its Major Components"
(b) DoD Directive 1300.5, "Military Foreign Service Officer Program"
(c) DoD Instruction 1300.9, "Policy on Dependent Education Outside the United States"
(d) DoD Directive 1325.1, "Professional Development Education Program"
(e) DoD Directive 7510.1, "Uniform Reporting Policy for Materiel, Equipment, and Facilities Furnished or Military Assistance Provided Funds"
(f) DoD Directive 5000.1, "Responsibility for Procurement and Foreign Military Sales in Support of Military Installations Utilized by Two or More Military Departments"
(g) DoD Instruction 7000.1, "Budgeting and Accounting Procedures for Intergovernmental Personnel Payments, Requisitions, Orders, etc."

I. PURPOSE

To prescribe basic policies and procedures for intergovernmental payment which the Department of Defense.

II. POLICY

This Directive is applicable to all elements of the Department of Defense.

III. DEFINITIONS

The principal definitions used in the Intergovernmental Payment Program:

A. Intergovernmental Payment

Action by one Military Service or element thereof to provide logistical support [illegible]

to another Military Service or element thereof. Such action can be recurring or non-recurring in character, on an installation, area or world-wide basis.

B. Logistic and Administrative Support

Those aspects of operations which deal with: (1) research, development, test and evaluation; (2) acquisition, storage, movement, distribution, maintenance, evacuation and disposition of materiel; (3) movement and evacuation of personnel; (4) medical services, including aeromedical evacuation; (5) communications services; (6) acquisition or construction, maintenance, operation, and disposition of facilities; and (7) other logistic and administrative services. It comprises planning, management, and execution of responsibilities.

C. Cross-Servicing

That function performed by one Military Service in support of another Military Service for which reimbursement is required from the service receiving support.

D. Common-Servicing

That function performed by one Military Service in support of another Military Service for which reimbursement is not required from the service receiving support.

E. Joint-Servicing

That function performed by a jointly staffed and financed activity in support of two or more Military Services.

F. Dominant User Concept

The concept that the service which is the principal consumer will have the responsibility for performance of a support workload for all using services. This concept may be applied at the installation, regional command, theatre or world-wide level. This does not imply that the dominant user will provide complete resources.

G. Peculiar Capabilities

As used in this Directive, the term "peculiar capabilities" refers to those logistic support

activities which are organic to a Military Service, but not to all Services, and which must be performed by that Military Service to insure successful accomplishment of assigned missions. The term "organic" means assigned to and forming an essential part of a military organization.

IV. POLICY

Maximum practical utilization of interservice support will be achieved when overall economies can be realized without impairment of military effectiveness. Each Military Service shall request interservice support from another service when the capabilities are available and support is to the overall advantage of the DoD; and each Military Service shall provide requested support to the extent capabilities and military requirements will permit. Nothing in this policy will be interpreted to be contrary to the provisions of DoD Directive 4100.15, (Ref. (a)).

V. PRINCIPLES

Basically, each service is responsible for providing or arranging for the provision of support for its own forces in accordance with policies prescribed by the Secretary of Defense.

A. In arranging for the provision of support between services, the peculiar capabilities of each service for support of the requirements of other services must be utilized. Responsibility for performance of such support will be assigned to, or assumed by, the service possessing the peculiar capability, regardless of geographical area or its own force deployments.

B. Whenever the nature of the support workload does not involve peculiar capability, interservice support assignments will be made in accordance with the dominant user concept.

C. When assignments of interservice support responsibility are made, they will be made in accordance with the above principles in all instances except when military requirements are overriding factors.

D. Interservice support agreements will be executed at the lowest command level possible. Agreements will contain provisions for periodic review to determine whether the agreement should be continued, modified, or terminated.

VI. RESPONSIBILITY

A. Responsibility for aggressive utilization of interservice support in furtherance of the above policy and principles rests with all management and operating levels of the Department of Defense.

B. Commanders of Unified Commands, in the exercise of responsibilities contained in the Unified Action Armed Forces regarding logistic support, will be guided by the provisions of this directive.

C. Disagreements which cannot be resolved between the military departments will be submitted to the Secretary of Defense for resolution.

VII. RESOURCES

A. General

1. Normally, adjustments in performance, programming, budgeting or funding responsibilities will be made in the established program and budget cycles.

2. When such adjustments are required to be made outside of established program and budget cycles, appropriate adjustments of civilian manpower, facilities and financial resources will be made among the military services concerned.

3. Adjustments in resources between services will not be made when, by mutual agreement, the Military Departments concerned find it more practicable to re-program resources on an intra-departmental basis.

4. All interservice support agreements or assignments will be specific with respect to staffing and funding responsibilities.

B. Manpower

The Secretary of Defense, in establishing annual service military and civilian manpower strengths, will give due consideration to the effort expended by each Service in providing interservice support.

1. Adjustments of military manpower required because of interservice agreements will normally be made on an annual basis during the program review cycle.

2. Commanders of Unified Commands are responsible for insuring that component commanders provide information to their respective military

departments, advising as to necessary adjustments in military and civilian manpower strengths to accommodate effective execution of performance responsibilities assigned or reassigned in accordance with Section VI., paragraph B., above.

3. The Assistant Secretary of Defense (Manpower, Personnel and Reserve) will adjust civilian manpower ceilings, in accordance with DoD Directive 1400.4, (Ref. (b), and DoD Instruction 1404.4, (Ref. (c)). Such adjustments will normally be made quarterly, giving consideration to the transfer of workload in connection with new or revised interservice support agreements, as well as other changes in workloads and missions.

4. When civilian manpower spaces are involved in new or revised interservice support agreements, the Military Department requiring the additional spaces will request the Assistant Secretary of Defense (Manpower, Personnel and Reserve) to make an appropriate adjustment in manpower ceilings. In connection with such a request, the Military Department shall identify (1) the functions and workload to be performed on an interservice support basis, (2) the number of spaces required, and (3) the number of supporting manpower spaces utilized by the releasing service as certified by the releasing service. The information will be broken down separately for graded, ungraded and other civilian spaces. For the purpose of indicating the total number of spaces involved, the number of military spaces (officer, warrant officer, enlisted) will also be shown. The comments or concurrence of the other Military Departments concerned shall be transmitted with the recommendation for civilian ceiling adjustment.

C. <u>Funding</u>

1. Each Military Department will budget for the costs of all support required by it for its own forces, except for the costs of common-serviced support furnished by other Military Departments in accordance with the provisions of DoD Directives. Each Service will budget for common-service support which it provides others in accordance with DoD Directives and interservice assignments.

2. Interservice support normally shall be performed on a cross-servicing basis unless otherwise provided in DoD Directives or Instructions.

investments, entailing an an economic relationship in military and civilian economic interests to economically effective economic or performance responsibility assumed by contractors in accordance with Section 1., paragraph 3., above.

3. The Military Departments of Defense (Procurement, Research and Development) will assist civilian procurement utilities, in accordance with the Directive DOD 4. (Ref. (h)), and the Instructions 4. (Ref. (g)). Those activities will normally, by made contracts, retain responsibility as the inventory of contractors in accordance with or initiate interactive economic commitments, as well as assist commerce in negotiations and relations.

4. When civilian economic assists are involved in some of related interactive economic commitments, the military Department negotiating the activities will request the indicated Department or Defense (Procurement) and Research (Ref. (h)) made an appropriate assistance in economic negotiations. In connection with such a request, the military Department will inform (1) the functions and analysis in an interactive or in interactive study, (2) the number of items involved, and (3) the number of civilian economic assists utilized by the relevant service as initiated by the initiating service. The information will be kept and available for study, approval and other civilian agency. In the process of negotiation by final agency of assist interest, the number of civilian assists (Ref. (h)) and other civilian, assists, as well as the number of civilian utilized, will be known.

5. Procedure

1. Each military Department will review the use assists of all interest involved as it has its own study, except the case of interdepartmental agreement functions or other military Department assistance associated with the initiation of the activities. Each service will inform the Department assists being in involved with the initiation and interactive assignments.

2. Interactive economic assists shall be initiated as a cross-service basis unless otherwise provided in the formulation or instructions.

Reimbursements will not include costs of military pay or depreciation of facilities or equipment unless specifically provided by Department of Defense Directives and Instructions. Where the costs of services rendered are insignificant, where a reasonable basis for allocating such costs is not available, or when overall economy can be achieved, common-servicing or joint-servicing arrangements may be made by mutual agreement. Accomplishment of a joint-servicing function will require the service assigned management or other responsibility to perform certain supporting functions on a non-reimbursable basis, unless specifically provided for by mutual agreement.

3. Reimbursement for installation-support costs for services rendered to combat force tenants and/or transients may be waived by mutual agreement where the costs of services rendered are insignificant, where a reasonable basis for allocating such costs is not available, or when overall economy can be achieved.

4. Commanders of Unified Commands will provide for the development and submission of such information as may be required regarding transfers or assignments of functions within their geographical areas which have an effect on military departmental budgets. Commanders of Unified Commands will provide for the submission of this information to the Military Department through the component commanders concerned.

5. Reimbursement for material, supplies and equipment, as distinct from work or services, will be in accordance with pricing policies provided in DoD Directives 7420.1, and 7510.1, (Refs. (d) and (e)), respectively.

6. Reimbursement when practicable should be effected at the organizational level which incurs the cost and at which services are required. The use of established DoD-wide unit-rate structures is required. Consideration should be given to similar provision for areas not yet covered by unit-rate structures where the function is susceptible to such practice. Such rate structures shall be developed jointly by the Military Departments and approved by the Assistant Secretary of Defense (Comptroller). Until such additional rate structures are established, rates will be as mutually agreed between participants to the agreement.

7. Budgeting and accounting for reimbursements for services shall be in accordance with DoD Instruction 7240.1, (Ref. (H)). Billings should generally be on a monthly basis for services performed in the prior month.

8. Programming of facilities to be used jointly by two or more Military Departments, including their Reserve Components, should be accomplished in conformity with DoD Directive 1225.5, (Ref. (f)), and DoD Directive 7000.1, (Ref. (g)).

## VIII. IMPLEMENTATION

### A. Effective Date

The policies, principles and responsibilities outlined herein are effective immediately.

### B. Existing Interservice Arrangements

Performance and resources programming responsibility under interservice support arrangements in effect as of the date of this Directive will remain in force until the specific arrangements have been reviewed and, if required, revised in accordance with the provisions of this Directive.

### C. Execution

1. Interservice support will be administered within the framework of existing military organizations.

2. Uniform guidance to the field activities of all of the military Services with respect to the policy, principles, responsibilities and resources aspects of interservice support will be developed and jointly promulgated by the Secretaries of the Military Departments. Such guidance will provide for the orderly review, revision as required, and referral in accordance with Section VI., Paragraph C., above, if appropriate, of all existing interservice support arrangements so as to provide for inclusion of performance realignments in Fiscal Year 1962 Program and Budget formulation.

### D. Exception

The interservice support relationship between the Navy and the Marine Corps is excepted from the provisions of this directive.

E. Dissemination

Implementing instructions of the Military Services will include a copy of this Directive. Six copies of Military Service regulations and other instructions implementing this Directive will be forwarded to the Secretary of Defense not later than ninety (90) days from the date of publication of this Directive.

IX. REPORTS

Existing reports will be utilized to the maximum extent to provide information on interservice support. Additional reports, if required, will be prescribed by the Statistical Services Center of the Office of the Assistant Secretary of Defense (Comptroller).

/s/ James H. Douglas

Acting Secretary of Defense

APPENDIX B

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON 25, D. C.

2 Oct. 1963

INSTALLATIONS AND LOGISTICS

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE ARMY (I&L)
THE ASSISTANT SECRETARY OF THE NAVY (I&L)
THE ASSISTANT SECRETARY OF THE AIR FORCE (MATERIEL)
THE DIRECTOR, DEFENSE SUPPLY AGENCY

SUBJECT: Retail Interservice Logistic Support

DoD Directive 4000.19, Basic Policies and Principles for Interservice Support, is currently under review for updating. This updating will include incorporation of existing Defense Supply Agency responsibilities in the Interservice Supply Support Program at both wholesale and retail levels as set forth in paragraphs V,B, V,C, and VI,D of DoD Directive 5105.22, Defense Supply Agency (DSA). In addition, in consonance with paragraphs V,D, G and H of DoD Directive 5105.22, DSA responsibilities for retail level interservicing will be clarified to include interservicing of both materiel and logistic services, as delineated in Inclosure 1 hereto. This will consolidate in DSA the development and maintenance of a Retail Interservice Logistic Support Program. DSA will develop, in full coordination with the military services, effective procedures to facilitate optimum interservice logistic support at the retail level. Specific responsibilities, functions and authority are set forth in Inclosure 2.

The need for such clarification and consolidation is apparent from study of the existing retail logistic interservicing operation. The six Area Coordination Groups, composed of representatives of major military service commands, have repeatedly recommended that interservicing of logistic services at retail level, be combined into a single program with the present Interservice Supply Support Program. The need for program direction and guidance for the entire scope of the interservicing effort at retail level was further emphasized during the Cuban crisis when valuable operational planning effort had to be diverted to local housekeeping problems because of lack of advance interservice arrangements.

Inclosures 1 and 2 are published at this time in advance of the revision of DoD Directive 4000.19 in order to permit DSA to commence development of operating procedures for the Retail Interservice Logistic Support Program. Procedures developed will be fully coordinated with the military services in accordance with DoD Instruction 5025.7, DSA Publications.

/s/ Thomas D. Morris

Assistant Secretary of Defense
(Installations and Logistics)

2 Inclosures
As Stated

# INTERSERVICE LOGISTIC SUPPORT PROGRAM

## Definitions

Retail Level Interservicing - Interservice support between field activities (e.g., bases, posts, camps, stations, installations) of the military services of DoD agencies. It excludes interservice supply support involving wholesale (i.e., National Inventory Control Point controlled) stocks.

Logistic Services - Activities of a logistical support nature, not necessarily involving the supply of material.

1. The term includes services involving:

   a. Acquisition, storage, movement, distribution maintenance, evacuation, or disposal of material.

   b. Acquisition, construction (other than Military Construction Program), maintenance, operation, or disposition of facilities, including utilities, custodial services, fire and policy protection, etc.

   c. Other logistic support similar or related to them, such as lodging, laundry, messing, and local bus and taxi service.

2. As used in connection with the Interservice Support Program, the term specifically excludes services involving:

   a. Administration or hospitalization of personnel.

   b. Hospitals or other medical facilities.

   c. Research, development, test and evaluation of materiel.

INCLOSURE 1

# AMPLIFICATION OF RESPONSIBILITIES, FUNCTIONS AND AUTHORITY ASSIGNED TO DSA AND THE MILITARY SERVICES OR OTHER DOD AGENCIES IN CONNECTION WITH THE INTERSERVICE LOGISTIC SUPPORT PROGRAM

References:

a. DoD Directive 4000.19, Basic Policies and Principles for Interservice Support, dated 24 March 1960.

b. DoD Directive 5105.22, Defense Supply Agency dated 1 November 1961.

c. DoD Instruction 5025.7, Defense Supply Agency Publications, dated 22 December 1961.

## RESPONSIBILITIES

1. DSA will develop and maintain a Retail Interservice Logistic Support Program with full coordination and concurrence of the military services in accordance with reference c.

2. The military services and DoD Agencies will utilize retail interservicing procedures whenever this means of logistics support will increase overall effectiveness and economy. It is recognized that the commander requiring support is in the best position to judge which of the alternative means of logistic support is the most effective and economical in any particular situation and that the commander requested to provide support is best able to determine his ability to furnish the support requested. The decision to request or furnish interservice Logistic Support will be left entirely to the Activity Commander, subject to such guidance as may be provided by the respective military service Headquarters.

## FUNCTIONS

1. DSA will perform the following functions with full coordination and concurrence of the military services in accordance with reference c:

a. Develop and maintain procedures which will facilitate optimum interservice logistic support at the retail level, including provision for systematic exchange of logistic management information necessary to accomplish this. Uniformity of procedures will be a goal when a benefit is gained thereby.

b. Publish Retail Interservice Logistic Support procedures in appropriate DSA publications in accordance with reference c.

c. Serve as the focal point for DoD emphasis on retail interservicing and take the necessary coordinated action through the military service channels to assist in resolving, eliminating or reducing to a minimum such problems as may be encountered.

d. Recommend revisions of policy to DoD for publication in appropriate DoD issuances.

e. Periodically evaluate the program in order to facilitate the accomplishment of functions a through d.

f. Assist the military services in developing retail interservicing agreements only as specifically requested by the prospective parties to an agreement. Under no circumstances will DSA direct interservicing actions to be taken.

2. Each military service and DoD Agency will perform the following functions:

a. Conduct retail interservicing operations so as to optimize retail interservice logistic support in accordance with published guidance.

b. Join with the DSA in a coordinated effort to achieve optimum retail interservice logistic support.

c. Insure that both command and working levels are fully aware of the potential benefits of retail interservicing and of the procedures by which these benefits may be achieved.

d. Recommend revisions of policy to DoD for publication in appropriate DoD issuances.

AUTHORITY

1. General authority and guidance in connection with the assignment of responsibility to DSA for retail interservice support are contained in references a, b and c.

2. DSA is specifically authorized, in coordination with the military services, to:

a. Conduct studies or surveys to develop procedures to accomplish the objectives of this program.

b. Establish necessary coordinating groups composed of military service-DSA representatives, such as the present Area Coordination Groups, and maintain working liaison with these groups and the members thereof. These working contacts will be used for exchange of information, ideas, recommendations, etc., and will not circumvent channels established by reference c for coordination of policy, procedural changes or other matters having an impact on military service operations.

c. Publish implementing regulations to carry out policy guidance established in DoD issuances.

d. Establish necessary reporting requirements for effective program administration and reports required by higher authority. Such reporting requirements will be approved by the military services in accordance with reference c, and will be kept to a minimum.